



Ravelin Properties REIT
CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

Ravelin Properties REIT

CONSOLIDATED FINANCIAL STATEMENTS

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Independent auditor's report

To the Unitholders of Ravelin Properties REIT

Our opinion

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

What we have audited

The REIT's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2025;
- the consolidated statement of loss for the year then ended;
- the consolidated statement of comprehensive loss for the year then ended;
- the consolidated statement of changes in unitholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the REIT in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the REIT's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

How our audit addressed the key audit matter

Valuation of investment properties

Refer to note 4 – Material accounting policies and note 7 – Investment properties to the consolidated financial statements.

The REIT measures its investment properties at fair value and, as at December 31, 2025, total investment properties were valued at \$1,130 million. 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. Fair values are primarily determined by discounting future cash flows, generally over a term of 10 years, and a terminal value based on the application of a terminal capitalization rate to estimated year 11 net operating income.

The significant assumptions used in the discounted cash flow models include future cash flows, terminal capitalization rates, and discount rates. The determination of estimated future cash flows incorporates significant assumptions including occupancy rates, lease renewal rates, and downtime on existing lease expires.

We considered this a key audit matter due to significant judgments by management when determining the fair values of the investment properties, and the high degree of complexity in assessing audit evidence related to the significant assumptions used by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.

Our approach to addressing the matter included the following procedures, among others:

- Tested how management determined the fair values of a sample of investment properties, which included the following:
 - Evaluated the appropriateness of the valuation method used by management.
 - Tested the underlying data used in the models.
 - Evaluated the reasonableness of the estimated future cash flows over an average period of 10 years and the terminal value used in the discounted cash flow valuation models by comparing assumptions, such as occupancy rates, lease renewal rates and downtime on existing lease expires, to external market and industry data and comparing components of future cash flows to current and past results.
 - Professionals with specialized skill and knowledge in the field of real estate valuations assisted in evaluating the appropriateness of the valuation models and in evaluating the reasonableness of the discount rates, terminal capitalization rates, occupancy rates, lease renewal rates, and downtime on existing lease expires.

Other matter

The consolidated financial statements of the REIT for the year ended December 31, 2024, excluding the adjustments to reclassify certain comparative information as described in note 4 (xviii) to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 27, 2025.

As part of our audit of the consolidated financial statements for the year ended December 31, 2025, we also audited the adjustments to reclassify certain comparative information, as described in note 4 (xviii) to the consolidated financial statements, as at and for the year ended December 31, 2024. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to reclassify certain comparative information, we were not engaged to audit, review or apply any procedures to the consolidated financial statements for the year ended December 31, 2024. Accordingly, we do not express an opinion or other form of assurance on those consolidated financial statements taken as a whole.

Other information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 26, 2026

Ravelin Properties REIT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Investment properties	7	\$ 1,130,418	\$ 1,131,334
Finance lease receivable	8	30,467	35,148
Other assets	9	300	386
Derivatives	13	—	1,303
Restricted cash		2,197	10,656
		\$ 1,163,382	\$ 1,178,827
Current assets			
Assets held for sale	6, 7	—	16,500
Finance lease receivable	8	4,681	4,253
Other assets	9	1,911	6,023
Derivatives	13	—	2,780
Current tax receivable		928	—
Accounts receivable	10	8,614	7,738
Cash		18,223	13,590
		\$ 34,357	\$ 50,884
Total assets		\$ 1,197,739	\$ 1,229,711
LIABILITIES AND UNITHOLDERS' EQUITY			
Non-current liabilities			
Debt	11	\$ 160,235	\$ 154,666
Other liabilities	12	5,334	4,556
Derivatives	13	—	2,614
		\$ 165,569	\$ 161,836
Current liabilities			
Debt	11	965,838	920,205
Debt on assets held for sale	11	—	15,153
Other liabilities	12	1,016	1,564
Derivatives	13	9,060	250
Class B LP units	14	978	2,854
Accounts payable and accrued liabilities	15	84,419	67,679
Income taxes payable		—	360
		\$ 1,061,311	\$ 1,008,065
Total liabilities		\$ 1,226,880	\$ 1,169,901
Unitholders' equity		\$ (29,141)	\$ 59,810
Total liabilities and unitholders' equity		\$ 1,197,739	\$ 1,229,711

See note 2, *Going Concern*.

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,	
		2025	2024
Rental revenue	18	\$ 185,290	\$ 196,957
Property operating expenses		(111,767)	(111,239)
Finance income on finance lease receivable	8	2,359	2,608
Interest income		936	380
Interest and finance costs	19	(87,134)	(75,079)
General and administrative expenses	20	(4,876)	(12,930)
Costs related to a potential recapitalization plan	9	(3,531)	—
Change in fair value of financial instruments	21	(9,332)	(14,062)
Change in fair value of investment properties	7	(71,821)	(437,770)
Depreciation of hotel asset	7	(212)	(998)
Transaction costs	6	(712)	(3,322)
Deferred income tax recovery	27	—	257
Current income tax recovery (expense)	27	525	(2,755)
Net loss before Class B LP units		\$ (100,275)	\$ (457,953)
Change in fair value of Class B LP units	14	1,876	1,427
Net loss		\$ (98,399)	\$ (456,526)

Ravelin Properties REIT CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of Canadian dollars)

	Note	Year ended December 31,	
		2025	2024
Net loss		\$ (98,399)	\$ (456,526)
Other comprehensive income to be subsequently reclassified to profit or loss:			
Foreign currency translation income	16	9,425	7,342
Total other comprehensive income		9,425	7,342
Comprehensive loss		\$ (88,974)	\$ (449,184)

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

Ravelin Properties REIT
CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(in thousands of Canadian dollars)

	Note	Trust units	Retained earnings	Accumulated other comprehensive income	Total equity
December 31, 2024		\$ 578,696	\$ (529,086)	\$ 10,200	\$ 59,810
Issued pursuant to the Trustee DUP	16	23	—	—	23
Net loss and comprehensive loss		—	(98,399)	9,425	(88,974)
December 31, 2025		\$ 578,719	\$ (627,485)	\$ 19,625	\$ (29,141)

	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	16	290	—	—	\$ 290
Net loss and comprehensive loss		—	(456,526)	7,342	(449,184)
December 31, 2024		\$ 578,696	\$ (529,086)	\$ 10,200	\$ 59,810

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,	
		2025	2024*
OPERATING ACTIVITIES			
Net loss		\$ (98,399)	\$ (456,526)
Items not affecting cash:			
Depreciation of hotel asset	7	212	998
Change in fair value of investment properties	7	71,821	437,770
Straight-line rent and other changes	7	7,255	7,266
Change in fair value of Class B LP units	14	(1,876)	(1,427)
Change in fair value of financial instruments	21	9,332	14,062
Deferred income tax recovery		—	(257)
Finance income on finance lease receivable	8	(2,359)	(2,608)
Finance interest payments received on finance lease receivable	8	2,359	2,608
Leasing costs*	7	(18,320)	(18,954)
Interest income		(936)	(380)
Interest received		936	380
Interest and finance costs	19	87,134	75,079
Interest paid	19	(45,213)	(58,609)
Changes in working capital items	28	14,488	14,419
Cash provided by operating activities		\$ 26,434	\$ 13,821
INVESTING ACTIVITIES			
Acquisition of investment properties	5	(100)	—
Dispositions of investment properties	6	15,531	105,023
Capital expenditures	7	(16,363)	(7,055)
Principal payments received on finance lease receivable	8	4,253	3,812
Cash provided by investing activities		\$ 3,321	\$ 101,780
FINANCING ACTIVITIES			
Mortgage advances, net of all deferred financing costs	11, 28	5,274	(555)
Mortgage and term loan repayments	28	(14,990)	(96,942)
Repayments on revolving facilities	28	(16,169)	(18,264)
Draws on revolving and term facilities	28	—	2,200
Proceeds from the disposition of interest rate swaps	13, 28	688	—
Cash used in financing activities		\$ (25,197)	\$ (113,561)
Foreign exchange gain on cash held in foreign currency		75	280
Increase in cash		\$ 4,633	\$ 2,320
Cash, beginning of period		13,590	11,270
Cash, end of period		\$ 18,223	\$ 13,590

*Adjustments have been made to the presentation of leasing costs on the consolidated statement of cash flows from investing activities to operating activities. See note 4(xviii).

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

Ravelin Properties REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars)

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 45 commercial properties located in Canada, the United States, and Ireland. The units of the REIT trade on the Toronto Stock Exchange ("TSX") under the symbol "RPR.UN", and its convertible debentures trade on the TSX under the symbols "RPR.DB" (the "9% Debentures"), "RPR.DB.A" and "RPR.DB.B". Trading in the 9% Debentures was suspended on February 23, 2026 and the 9% Debentures were delisted from the TSX on March 2, 2026 following their maturity (see note 29, *Subsequent events*).

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

2. GOING CONCERN

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

The REIT's borrowings provided by its revolving facilities and other debt require compliance with covenants, which if breached, gives the lenders the ability to demand repayment and reduces availability of drawings available to the REIT. Additionally, certain of the REIT's debt, including the REIT's revolving credit facilities, include cross default provisions, generally for defaults on debt in excess of \$5.0 million. These covenants are described in more detail in notes 11 and 25.

As at December 31, 2025, the REIT remains in breach of certain covenants on its revolving credit facilities, convertible debentures, and certain other mortgages, with covenant breaches having initially arisen beginning March 31, 2024 and additional breaches occurring thereafter. In certain cases, including that with respect to the revolving credit facilities, the lenders have provided a formal event of default notice expressing their right to demand repayment of the borrowings at their discretion. The REIT does not have sufficient liquidity to repay such amounts should lenders exercise their rights to demand payment, and accordingly, these borrowings have been classified as current liabilities as at December 31, 2025. 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 \$950.5 millions of principal presented as current on the statement of financial position as at December 31, 2025 (note 11).

In addition, pursuant to the trust indentures governing the convertible debentures, due to default letters provided by lenders of the revolving credit facilities and certain other mortgages ("senior lenders"), the REIT is currently restricted from making payments of interest in respect of the convertible debentures so long as such defaults have not been cured or waived. The REIT has determined that based on the information currently available to it, there can be no assurance if or when a cure or waiver in respect of such defaults will be obtained, and as such, the REIT did not make the cash interest payments due from June 30, 2024 to December 31, 2025 in respect of its 7.50% convertible unsecured subordinated debentures and 5.50% convertible unsecured subordinated debentures, and did not make the cash interest payments due from August 31, 2024 to August 31, 2025 in respect of its outstanding 9.00% convertible unsecured subordinated debentures (collectively, the "Debentures") (see note 24). In addition, the REIT did not make the principal repayment due at maturity on February 28, 2026 in respect of the 9.00% convertible unsecured subordinated debentures (note 29).

The REIT has undertaken various actions in order to increase liquidity and reduce its financial leverage and borrowings. These actions include dispositions of certain investment properties, working with lenders and related and other parties to provide additional flexibility and liquidity to the REIT, suspension of its cash distribution to unitholders, and a program to reduce capital investment and general and administrative expenses.

The REIT 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, 2025, and with the assistance of professional restructuring advisors, the REIT continued to seek a restructuring of a majority of its outstanding indebtedness and to raise additional capital. Potential financing alternatives to the REIT 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

Ravelin Properties REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars)

debentures into equity, additional subscriptions for units, additional interim secured funding, a potential rights offering to raise additional equity capital, the sale of all or substantially all investment properties and/or potential transactions involving the Unitholders and convertible debenture holders of the REIT.

On March 28, 2025, the secured lenders party to the REIT's Second Amended and Restated Credit Agreement dated November 14, 2023 as amended (the "Syndicated Credit Agreement") completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital Inc. ("G2S2 Capital") (note 22) in the aggregate principal amount of \$233.1 million and U.S. \$43.7 million. Additionally, on March 31, 2025 and on December 2, 2025, two senior secured lenders of the REIT completed sales of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$406.0 million. The completion of the sale and assignment of the Syndicated Credit Agreement and mortgages required the consent of the REIT under the agreements governing the loans. In connection with providing consent to the sale and assignment, an independent committee of trustees of the REIT sought and obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to assess its financing alternatives. On December 17, 2025, G2S2 Capital agreed to extend the forbearance period on certain loans of the REIT in the aggregate principal amount of approximately CAD\$528.3 million and US\$45.5 million to March 31, 2026. In connection with the extended forbearance period, the interest rate on such loans increased to 10.00%, comprised of 6.00% cash interest and 4.00% payment-in-kind interest, effective October 1, 2025. The REIT is currently in discussions with G2S2 Capital and other lenders regarding the terms of potential restructuring options. As of the date hereof, no agreement has been reached with any of the REIT's stakeholders with respect to the refinancing or extension of the facilities currently in default, and there can be no assurance that the REIT will be successful in securing the necessary financing, or in raising the additional funding needed for the REIT to continue as a going concern. If the REIT is unsuccessful in negotiating a favorable outcome, 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 one or several of the financing alternatives outlined above. These consolidated audited annual financial statements (the "consolidated financial statements") do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications that would be necessary if the going concern assumption was not appropriate and the REIT were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments would be material to the consolidated financial statements.

3. BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), including the accounting policies described in note 4.

ii. Approval of the consolidated financial statements

The consolidated financial statements were approved by the trustees of the REIT and authorized for issuance on March 26, 2026.

iii. Basis of measurement

These consolidated financial statements have been prepared on a going concern basis (see note 2) 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 through profit or loss.

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 and whose results and financial position are translated into Canadian dollars in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Ravelin Properties REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars)

4. 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. 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.

Ravelin Properties REIT

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(in thousands of Canadian dollars)

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 in accordance with IAS 40 and is presented separately on the consolidated statement of financial position in accordance with IFRS 5. 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

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net income (loss), except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or equity, respectively.

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 on assets 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").

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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

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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 as at March 21, 2016. 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 (as subsequently defined), 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 foreign 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 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

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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:

- **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.

- **Going concern**

Management's assessment of the REIT's ability to continue as a going concern requires significant judgement. Management concluded that the continued use of the going concern assumption in the presentation of the consolidated financial statements was appropriate. Additional disclosure is included in note 2 to the consolidated financial statements.

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.

Fair values are primarily determined by discounting future cash flows, generally over a term of 10 years, and a terminal value based on the application of a terminal capitalization rate to estimated year 11 net operating income.

The significant assumptions used in the discounted cash flow model include future cash flows, the terminal capitalization rates and discount rates. The determination of estimated future cash flows incorporate significant assumptions including occupancy rates, lease renewal rates and downtime on existing lease expires.

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. 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 will require the REIT to present new mandatory subtotals in the consolidated statements of loss and comprehensive loss and to provide additional disclosures in respect of management-defined performance measures, if any, including reconciliations to the most

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directly comparable IFRS measures. Comparative information will be restated on adoption in accordance with the retrospective application requirements of the standard.

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. The REIT expects that the adoption of IFRS 18 will primarily impact presentation and disclosure within the consolidated financial statements and does not expect it to have an impact on the recognition or measurement of its assets, liabilities, or net income.

Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

In May 2024, amendments to IFRS 9 and IFRS 7 were issued to clarify the requirements related to the recognition and derecognition requirements for financial assets and liabilities, including a narrow-scope exception for financial liabilities settled through electronic payment systems. Under the amendments, a financial liability is considered extinguished once the entity no longer has access to the transferred funds, even if settlement occurs after the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The REIT assessed the impact of these amendments on its consolidated financial statements and based on the REIT's assessment of its financial instruments and settlement practices, the amendments do not have a material impact on its consolidated financial statements.

xviii. Change in accounting policies

During the year ended December 31, 2025, the REIT changed its accounting policy for the presentation of its leasing costs in the consolidated statement of cash flows. Specifically, leasing costs previously presented within investing activities have been reclassified to operating activities. Management believes that the change in presentation improves comparability with its peers and better aligns with the nature of the underlying costs incurred that are directly linked to cash flow generation from operating activities. This change in accounting policy was applied retrospectively. As a result, cash flow from operations for the year ended December 31, 2024 decreased from \$32,775 to \$13,821 and cash flow from investing activities increased from \$82,826 to \$101,780.

5. ACQUISITIONS

On September 2, 2025, the REIT acquired the remaining 25% interest in two office properties located in Markham, Ontario and Toronto, Ontario, of which it previously owned a 75% interest. The net purchase price of the properties, after assumption of debt and working capital, was \$0.1 million which was funded by cash on hand.

A summary of the acquisition completed in 2025 is as follows:

	Gateway Centre	Commerce West	Total
Acquisition date	September 2, 2025	September 2, 2025	
Location	Markham, ON	Toronto, ON	
Number of properties	1	1	2
REIT's interest	25 %	25 %	
Investment properties	\$ 12,022	\$ 20,623	\$ 32,645
Working capital	(517)	(749)	(1,266)
Debt principal assumed	(11,455)	(19,824)	(31,279)
Net purchase price	\$ 50	\$ 50	\$ 100

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

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6. DISPOSITIONS

During the year ended December 31, 2025, the REIT disposed of an asset previously classified as held for sale:

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

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, 2024	Mississauga, ON	\$ 19,200	\$ (345)	\$ (493)	\$ (350)	\$ —	\$ (16,703)	\$ —	\$ 1,309
Airways Units 7 & 8	February 28, 2024	Dublin, Ireland	11,028	—	(61)	(174)	(1,707)	(7,212)	—	\$ 1,874
84-86 Chain Lake	May 1, 2024	Halifax, NS	10,415	(53)	(445)	(443)	—	—	(9,474)	\$ —
Walmart Flin Flon	May 10, 2024	Flin Flon, MB	3,950	—	(46)	(165)	—	—	(3,739)	\$ —
570 Queen Street	July 31, 2024	Fredericton, NB	5,220	—	(9)	(160)	—	—	(5,051)	\$ —
114 Garry	October 16, 2024	Winnipeg, MB	14,250	(348)	(89)	(553)	—	(10,439)	—	\$ 2,821
Woodbine Complex ¹	November 5, 2024	Toronto, ON	39,000	(522)	(1,465)	(1,063)	—	(37,500)	—	\$ (1,550)
365 Hargrave	November 21, 2024	Winnipeg, 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

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

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7. INVESTMENT PROPERTIES

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

	Note	Year ended December 31,	
		2025	2024
Beginning of period		\$ 1,131,334	\$ 1,362,188
Acquisitions ¹	5	32,645	—
Capital expenditures		16,363	7,055
Leasing costs		18,320	18,954
Dispositions ¹	6	—	(112,695)
Depreciation of hotel asset		(212)	(998)
Foreign exchange		10,994	25,869
Change in fair value		(71,821)	(437,770)
Straight-line rent and other changes		(7,255)	(7,266)
Transfer from assets held for sale ²		50	275,997
End of period		\$ 1,130,418	\$ 1,131,334

¹Represents the purchase or sale price and capital adjustments.

²During the year ended December 31, 2025, represents a purchase price adjustment to an asset disposed of in the period that was previously transferred to assets held for sale in 2024.

Investment properties as at December 31, 2025 are comprised of the REIT's interests in 44 properties (December 31, 2024: 44), which includes one mixed-use hotel asset and excludes a data centre in Winnipeg, Manitoba (the "Data Centre"), which is classified as a finance lease (note 8). The REIT previously held a 75% interest in two office properties in the Greater Toronto Area (December 31, 2024: two office properties) and subsequently acquired the remaining 25% interest in Q3 2025. The REIT now owns an undivided 100% interest in all investment properties (note 5).

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. As at December 31, 2025, the net book value of the hotel asset was \$13.0 million.

As at December 31, 2025, 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.

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, 2025		December 31, 2024	
	Discount rate	Terminal capitalization rate	Discount rate	Terminal capitalization rate
Minimum	7.50%	7.00%	7.50%	7.00%
Maximum	11.50%	10.50%	11.50%	10.50%
Weighted average	8.71%	7.87%	8.78%	7.93%

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The fair value of investment properties is classified within Level 3 of the IFRS 13 fair value hierarchy. The valuation technique is a discounted cash flow model using unobservable inputs including discount and terminal capitalization rates. 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, 2025:

		Discount Rate				
		50 bps-	25 bps-	No change	25 bps+	50 bps+
	50 bps-	\$ 94,730	\$ 72,642	\$ 51,037	\$ 29,904	\$ 9,229
	25 bps-	67,250	45,728	24,676	4,081	(16,066)
TCR	No change	41,529	20,536	—	(20,089)	(39,742)
	25 bps+	17,402	(3,096)	(23,147)	(42,762)	(61,952)
	50 bps+	(5,276)	(25,307)	(44,902)	(64,072)	(82,828)

A 1% increase or decrease in the REIT's projected net operating income over the term of the discounted cash flows would result in a corresponding estimated increase or decrease of approximately \$8.0 million in the fair value of the REIT's investment properties.

The fair value measurements incorporate significant unobservable inputs and reflect management's estimates of assumptions that market participants would use in pricing the properties in current market conditions, including limited transaction volume and broader market financing constraints affecting the type of assets owned by the REIT. Accordingly, actual realizable values may differ materially from the amounts reported, particularly in the event of a forced or accelerated sale, as market liquidity and capitalization rates may vary.

8. 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.

The interest portion of lease payments is presented in operating activities of the consolidated statements of cash flows and the principal portion is presented in investing activities, in accordance with IAS 7, Statement of Cash Flows.

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

	Year ended December 31, 2025	Year ended December 31, 2024
Beginning of period	\$ 39,401	\$ 43,213
Lease payments received	(6,612)	(6,420)
Finance income on finance lease receivable	2,359	2,608
End of period	\$ 35,148	\$ 39,401

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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 as at December 31, 2025 and December 31, 2024:

	December 31, 2025		
	Future minimum lease payments	Interest portion of minimum lease payments	Principal portion of minimum lease payments
Less than one year	\$ 6,757	\$ 2,076	\$ 4,681
Greater than one year but less than 5 years	35,167	4,700	30,467
Total			\$ 35,148

	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

9. OTHER ASSETS

Other assets are comprised of the following:

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 1,790	\$ 2,340
Costs related to a potential recapitalization plan	—	1,947
Mortgage interest reserves	—	1,622
Investment tax credit receivable	386	465
Utilities deposits	35	35
Total	\$ 2,211	\$ 6,409
Current	\$ 1,911	\$ 6,023
Non-current	300	386
Total	\$ 2,211	\$ 6,409

During the year ended December 31, 2025, two of the REIT's lenders returned mortgage interest reserves, totaling \$1.6 million to the REIT. One lender released the reserve in connection with a subsequent advance made available under the mortgage's earnout provision, while the other lender returned the reserve as part of an assignment of their debt position to another lender (see note 11).

During the year ended December 31, 2025, \$3.5 million of costs related to a potential recapitalization plan were expensed to net loss. The amounts had previously been recorded as prepaid expenses in anticipation of completing the transaction in the year. Due to the extended timeline, management determined that the costs were no longer expected to provide future economic benefit and therefore recognized the balance in profit or loss in the period.

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 12).

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10. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	December 31, 2025	December 31, 2024
Rent receivable	\$ 5,793	\$ 3,800
Accrued recovery income	1,767	1,377
Other amounts receivable	1,815	3,415
Allowance for doubtful accounts	(761)	(854)
Total	\$ 8,614	\$ 7,738

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

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

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

The change in allowance is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Beginning of period	\$ (854)	\$ (57)
Change in allowance	(104)	(951)
Bad debt write-off	11	154
Bad debt recovery	186	—
End of period	\$ (761)	\$ (854)

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

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

	December 31, 2025	December 31, 2024
Up to 30 days	\$ 3,051	\$ 1,708
31 to 90 days	1,414	661
Greater than 90 days	567	577
Total	\$ 5,032	\$ 2,946

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11. DEBT

Debt held by the REIT as at December 31, 2025 is as follows:

	Maturity	Coupon	Properties provided as security	Fair value of security	Maximum available	Principal
Mortgages ^{1 2 3}	Various	Various	12	\$ 623,693	\$ 543,974	\$ 543,974
Revolving facilities ^{3 4 5}	Oct. 14, 2024	Various	11	250,143	287,459	287,459
Term loan ^{3 4 6}	Apr. 5, 2027	5.8%	22	255,902	142,899	142,899
Convertible debentures	Feb. 28, 2026	9.0%	—	—	28,750	28,750
Convertible debentures	Dec. 31, 2026	5.5%	—	—	84,200	84,200
Convertible debentures	Dec. 31, 2027	7.5%	—	—	45,000	45,000
Total			45	\$ 1,129,738	\$ 1,132,282	\$ 1,132,282

¹The weighted average remaining term to maturity of mortgages is 0.3 years with maturities ranging from debt that matured on April 20, 2024 to October 1, 2030 and the weighted average interest rate of mortgages is 9.51% with coupons ranging from 4.27% to 12.05%. Due to covenant violations and in some cases, failure to repay on maturity, certain mortgages are contractually due on demand (discussed further in notes 22, 24 and 25).

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

³The REIT's revolving credit facilities, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, and minimum unitholders' equity. These covenants are described further in note 25.

⁴Stand-by fees incurred on any unused portion of the revolving credit facilities are 50.63 bps, charged and paid quarterly.

⁵Principal balance includes \$225,056 and U.S. \$45,470 of revolving facilities. The maximum availability of the revolving facilities is the lesser of (i) \$100,000 and U.S. \$38,000, (ii) the sum of the margined fair value of the property securing the revolving facilities and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.40 and assuming (a) a 25 year amortization period, and (b) an interest rate compounded semi-annually, equal to the greater of (y) 4.5%, and (z) the relevant five year government bond yield plus 2.50%. The revolving facilities matured on October 14, 2024, and the weighted average interest rate is 10.00%. Due to covenant violations and failure to pay on maturity, the revolving credit facilities are contractually due on demand (discussed further in notes 22, 24 and 25). In connection with providing consent to the sale and assignment of the Syndicated Credit Agreement (see note 3), the REIT obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to negotiate the terms of a potential recapitalization plan. On December 17, 2025, G2S2 Capital agreed to extend the forbearance period to March 31, 2026.

⁶On July 26, 2024, the REIT amended its term loan facility to replace the interest rate cap that matured on July 8, 2024 (see note 12). The amendment fixed the coupon on the term loan at 5.78%, effective until January 7, 2026. After January 7, 2026, the coupon reverts to Euribor plus 265 bps.

The carrying value of debt held by the REIT as at December 31, 2025 is as follows:

	Principal	Mark-to-market adjustments and costs	Accumulated amortization of MTM adjustments, costs and other	Carrying amount	Current ¹	Non-current
Mortgages	\$ 543,974	\$ (3,558)	\$ 2,836	\$ 543,252	\$ 508,479	\$ 34,773
Revolving facilities	287,459	—	—	287,459	287,459	—
Term loan	142,899	(5,567)	4,066	141,398	15,936	125,462
Convertible debentures ^{2 3 4}	28,750	(1,464)	1,383	28,669	28,669	—
Convertible debentures ^{2 3}	84,200	(6,479)	5,142	82,863	82,863	—
Convertible debentures ^{2 3}	45,000	(6,252)	3,684	42,432	42,432	—
Total	\$1,132,282	\$ (23,320)	\$ 17,111	\$ 1,126,073	\$ 965,838	\$ 160,235

¹Total debt of \$950.5 million was in default due to being overheld or in breach of financial covenants as at December 31, 2025, all of which has been presented in current liabilities. Of the defaulted debt, \$239.2 million was impacted due to financial covenant breaches, \$59.1 million was overheld and \$652.3 million was in breach of a financial covenant and overheld. Of the \$950.5 million defaulted debt, \$905.5 million is contractually current and \$45.0 million was reclassified to current debt. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.

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

Ravelin Properties REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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³Due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of the convertible debentures so long as such defaults have not been cured or waived. On July 15, 2024 and September 15, 2024, the REIT triggered events of default on the outstanding convertible debentures due to the failure to pay the interest due. The REIT has therefore reclassified the debentures as current debt (described further in note 25).

⁴See note 29, *Subsequent events*.

On March 28, 2025, the secured lenders party to the REIT's Syndicated Credit Agreement completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital in the aggregate principal amount of \$233.1 million and U.S. \$43.7 million. Additionally, on March 31, 2025, a senior secured lender of the REIT completed a sale of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$295.5 million. The completion of the sale and assignment of the revolving facilities and mortgages required the consent of the REIT under the agreements governing the loans. In connection with providing consent to the sale and assignment, an independent committee of trustees of the REIT sought and obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to negotiate the terms of a potential recapitalization plan. On December 17, 2025, G2S2 Capital agreed to extend the forbearance period to March 31, 2026.

On August 31, 2025, a mortgage secured on a property in the United States with an outstanding amount of \$104.6 million matured and was in default. As negotiations continued beyond the August 31, 2025 loan maturity date, the lender issued a notice of default and a reservation of rights. The lender also agreed to a forbearance agreement, which expired on September 30, 2025. In December 2025, the lender completed a sale and assignment of all the indebtedness and obligations under this loan to G2S2 Capital in the aggregate principal amount of approximately U.S. \$84.0 million, and G2S2 Capital agreed to extend the related forbearance period to March 31, 2026.

Effective October 1, 2025, the interest rate on such indebtedness increased to 10.00%, comprised of 6.00% cash interest and 4.00% payment-in-kind interest.

The REIT is in active discussions with its senior lenders, including G2S2 Capital, to extend the two forbearance agreements which expire on March 31, 2026. As of the date hereof, no agreement has been reached with the senior lenders with respect to any extension of the forbearance agreements, and there can be no assurance that the REIT will be successful in negotiating an extension of the forbearance period.

On October 30, 2025, G2S2 Capital obtained a second charge of \$9.0 million on a mortgage on one of the REIT's properties located in Winnipeg, Manitoba. The second charge ranks subordinate to the existing first mortgage on the property and forms part of the security package in favour of G2S2 Capital.

During the year ended December 31, 2025, G2S2 Capital and the REIT agreed to capitalize the interest payable for various months between May and December 2025, totaling \$20.2 million owed to G2S2 Capital under the revolving credit facilities and related mortgages. The accrued interest is capitalized to the principal balance of the revolving credit facilities and the respective mortgages. Accordingly, the capitalized interest forms part of the outstanding principal balance of debt as at December 31, 2025. The accrued interest for December 2025, which was due and payable on January 1, 2026, was capitalized to the debt principal subsequent to December 31, 2025.

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

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

¹The weighted average remaining term to maturity of mortgages is 0.9 years with maturities ranging from 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 24 and 25).

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

³The REIT's revolving credit facilities, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, and minimum unitholders' equity. These covenants are described further in note 25.

⁴Stand-by fees incurred on any unused portion of the revolving credit facilities are 50.63 bps, charged and paid quarterly.

⁵Principal balance includes \$233,735 and U.S. \$43,700 of revolving facilities. From September 30, 2024, the maximum availability of the revolving facilities is the lesser of (i) \$100,000 and U.S. \$38,000, (ii) the sum of the margined fair value of the property securing the revolving facilities and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.40 and assuming (a) a 25 year amortization period, and (b) an interest rate compounded semi-annually, equal to the greater of (i) 4.5%, and (ii) the relevant five year government bond yield plus 2.50%. The revolving facilities matured on October 14, 2024, and the weighted average interest rate is 7.99%. Due to covenant violations and failure to pay on maturity, the revolving credit facilities are contractually due on demand (discussed further in notes 24 and 25).

⁶Security includes assets held for sale, which are not included in the REIT's investment properties on the consolidated statement of financial position.

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

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

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

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

²Total debt of \$889.7 million was in default due to being 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.

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

⁴Due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of the convertible debentures so long as such defaults have not been cured or waived. On July 15, 2024 and September 15, 2024, the REIT triggered events of default on the outstanding convertible debentures due to the failure to pay the interest due. The REIT has therefore reclassified the debentures as current debt (described further in note 25).

⁵See note 29, *Subsequent events*.

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Future contractual repayments of mortgages payable by year of maturity as at December 31, 2025 are as follows:

	Weighted average interest rate of principal maturities ¹	Amortizing principal payments	Principal repayments on maturity	Total repayments
2026	9.75%	3,648	504,124	507,772
2027	7.26%	2,726	20,062	22,788
2028	4.38%	2,548	—	2,548
2029	4.38%	2,662	—	2,662
2030	4.38%	2,309	5,895	8,204
Thereafter	—%	—	—	—
	9.51%	\$ 13,893	\$ 530,081	\$ 543,974
Unamortized financing costs				(722)
Total			\$	\$ 543,252

¹The weighted average interest rate of principal maturities is calculated using the rates in effect as at December 31, 2025.

Future contractual principal payments and maturities for all debt as at December 31, 2025 are as follows:

2026	969,118
2027	149,750
2028	2,548
2029	2,662
2030	8,204
Thereafter	—
	\$ 1,132,282
Unamortized financing costs	(6,209)
Total	\$ 1,126,073

Convertible Debentures

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

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

The 2022 Convertible Debentures could 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.

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

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

The 2021 Convertible Debentures could not be redeemed by the REIT prior to December 31, 2024. On and from December 31, 2024, and prior to December 31, 2025, the 2021 Convertible Debentures could 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 were 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.

The REIT did not make the cash interest payments due from June 30, 2024 to December 31, 2025 in respect of its 2022 Convertible Debentures and its 2021 Convertible Debentures, and did not make the cash interest payments due from August 31, 2024 to August 31, 2025 in respect of its outstanding 2018 Convertible Debentures (see note 24). In addition, the REIT did not make the principal repayment due at maturity on February 28, 2026 in respect of its outstanding 2018 Convertible Debentures (see note 29, *Subsequent events*).

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12. OTHER LIABILITIES

Other liabilities are comprised of the following:

	Note	December 31, 2025	December 31, 2024
Security deposits		\$ 5,992	\$ 5,694
Deferred units	16	165	193
Investment tax credit payable		193	233
Total		\$ 6,350	\$ 6,120
Current		\$ 1,016	\$ 1,564
Non-current		5,334	4,556
Total		\$ 6,350	\$ 6,120

13. 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 measured at fair value using Level 2 inputs under IFRS 13 - Fair Value Measurement, based on observable forward interest rates and exchange rates. Valuations are performed using discounted cash-flow techniques with reference to observable market data.

Derivatives are comprised of the following:

	December 31, 2025	December 31, 2024
Fair value of conversion option on convertible debentures	\$ —	\$ (31)
Fair value of interest rate swaps	(317)	3,317
Fair value of cross currency swap	(8,743)	(2,138)
Fair value of interest rate caps	—	71
Derivatives, net	\$ (9,060)	\$ 1,219

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

	Year ended December 31,	
	2025	2024
Fair value, beginning of period	\$ 1,219	\$ 15,030
Fair value change of convertible debenture embedded derivatives	31	403
Fair value change of interest rate swaps	(218)	1,183
Receipts on interest rate swaps	(2,669)	(11,754)
Disposition of interest rate swap	(688)	—
Foreign exchange (loss) gain on U.S. interest rate swap	(59)	276
Fair value change of cross currency interest rate swap	(6,605)	(1,512)
Fair value change of interest rate caps	(69)	(2,451)
Foreign exchange (loss) gain on U.S. and Euro interest rate caps	(2)	44
Fair value, end of period	\$ (9,060)	\$ 1,219

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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:

Maturity date	Floating interest rate ¹	Fixed interest rate	Notional amount		Fair value	
			December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
March 3, 2025	1 month CORRA	0.94%	—	62,500	—	369
March 3, 2025	1 month CORRA	0.94%	—	10,000	—	59
March 3, 2025	1 month CORRA	4.01%	—	8,000	—	(13)
May 1, 2025	1 month CORRA	4.06%	—	59,003	—	(206)
September 10, 2025	1 month U.S. SOFR	2.22%	—	145,386	—	2,281
April 30, 2026	1 month CORRA	3.30%	76,050	78,300	(317)	(476)
October 30, 2026 ²	1 month CORRA	2.00%	—	100,000	—	1,303
Total			\$ 76,050	\$ 463,189	\$ (317)	\$ 3,317

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

²In connection with providing consent to the sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital (see note 11), the interest rate swap previously in place to mitigate interest rate risk on the Canadian revolving credit facility was unwound effective April 1, 2025. The proceeds of \$0.7 million from the sale of the interest rate swap was used as a paydown on the Canadian revolving credit facility.

In connection with a previous acquisition, the REIT entered into a cross currency interest rate swap transaction on November 16, 2021 to pay a fixed rate of 3.72% and receive a fixed rate of 5.50%, effective on January 31, 2022 and maturing on December 31, 2026. Interest payments are payable semi-annually on or around June 30 and December 30, and commenced on June 30, 2022. During the year ended December 31, 2025, the REIT recorded a fair value loss of \$6.6 million (December 31, 2024: \$1.5 million), in the consolidated statement of loss.

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

Maturity date	Pay Euro interest rate	Receive \$ interest rate	Notional amount ¹		Fair value	
			December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
December 31, 2026	3.72%	5.50%	\$ 75,000	\$ 75,000	\$ (8,743)	\$ (2,138)
Total			\$ 75,000	\$ 75,000	\$ (8,743)	\$ (2,138)

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

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

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

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

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The following is a reconciliation of the change in the REIT's interest rate caps:

	Year ended December 31,	
	2025	2024
Beginning of the period	\$ 71	\$ 2,478
Fair value changes	(69)	(2,451)
Foreign exchange (loss) gain	(2)	44
End of period	\$ —	\$ 71

Foreign exchange rate protection instruments

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

The REIT did not enter into any derivative or foreign exchange contracts during the years ended December 31, 2025 and 2024.

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

	December 31, 2025	December 31, 2024
Current assets	\$ —	\$ 2,780
Non-current assets	—	1,303
Current liabilities	(9,060)	(250)
Non-current liabilities	—	(2,614)
Total	\$ (9,060)	\$ 1,219

14. CLASS B LP UNITS

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

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

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

The change in Class B LP units for the years ended December 31, 2025 and 2024 are as follows:

	2025		2024	
	Units	Amount	Units	Amount
Beginning of period	5,285,160	\$ 2,854	5,285,160	\$ 4,281
Fair value changes	—	(1,876)	—	(1,427)
End of period	5,285,160	\$ 978	5,285,160	\$ 2,854

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15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	December 31, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$ 46,958	\$ 50,469
Convertible debenture interest	20,791	10,197
Salaries and employee costs payable	31	—
Prepaid rent	11,071	6,755
Interest payable in kind ¹	2,011	—
Tenant improvements payable	3,557	258
Total	\$ 84,419	\$ 67,679

¹The accrued interest for December 2025, which was due and payable on January 1, 2026, was capitalized to the debt principal subsequent to December 31, 2025 (see note 22).

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

16. 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 year ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Units	Amount	Units	Amount
Beginning of period	80,503,998	578,696	80,049,062	578,406
Issued pursuant to the Trustee DUP	58,463	23	454,936	290
End of period	80,562,461	\$ 578,719	80,503,998	\$ 578,696

Trustee deferred unit plan

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

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

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As at December 31, 2025, the liability associated with the deferred units issued under the Trustee DUP was \$0.2 million (December 31, 2024: \$0.2 million), and the number of outstanding deferred units was 879,431 (December 31, 2024: 342,337 deferred units). During the year ended December 31, 2025, 74,734 deferred units were redeemed for trust units under the Trustee DUP (year ended December 31, 2024: 674,196 deferred units).

Officer deferred unit plan

The Officer deferred unit plan ("the Officer DUP") provides officers of the REIT the opportunity to receive deferred units of the REIT through the Officer DUP. The maximum number of deferred units reserved for issuance under the Officer DUP is 1% of total units outstanding as at March 21, 2016. 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, 2025, the liability associated with deferred units issued under the Officer DUP was \$4 thousand (December 31, 2024: \$8 thousand), and the number of deferred units was 14,294 units (December 31, 2024: 14,294 units).

The change in Trustee and Officer DUP units during the years ended December 31, 2025 and 2024 is as follows:

	Note	2025		2024	
		Units	Amount	Units	Amount
Beginning of period		356,631	193	602,606	489
Issued		611,828	194	428,221	206
Redemption of units		(74,734)	(30)	(674,196)	(433)
Fair value adjustment	21	—	(192)	—	(69)
End of period		893,725	\$ 165	356,631	\$ 193

Diluted units outstanding

The following is the diluted number of units outstanding as at December 31, 2025 and 2024. The diluted number of units outstanding is determined as if all of the Class B LP units and deferred units had been converted to units of the REIT:

	December 31, 2025	December 31, 2024
Trust units outstanding	80,562,461	80,503,998
Class B LP units	5,285,160	5,285,160
Deferred units	893,725	356,631
Diluted units outstanding	86,741,346	86,145,789

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Weighted average diluted units outstanding

The following is the weighted average diluted number of units outstanding during the years ended December 31, 2025 and 2024. The diluted weighted average trust units outstanding is determined as if all of the Class B LP units and deferred units have been converted to units of the REIT:

	Year ended December 31,	
	2025	2024
Basic weighted average units outstanding	80,560,058	80,258,496
Class B LP units	5,285,160	5,285,160
Basic weighted average deferred units outstanding	442,563	444,269
Diluted weighted average units outstanding	86,287,781	85,987,925

Accumulated other comprehensive income consists of the below:

	Year ended December 31, 2025			Year ended December 31, 2024		
	Foreign currency translation	Net investment hedges	Total	Foreign currency translation	Net investment hedges	Total
Beginning of period	\$ 15,020	\$ (4,820)	\$ 10,200	\$ 7,678	\$ (4,820)	\$ 2,858
Currency translation	9,425	—	9,425	7,342	—	7,342
End of period	\$ 24,445	\$ (4,820)	\$ 19,625	\$ 15,020	\$ (4,820)	\$ 10,200

17. DISTRIBUTIONS

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

The REIT did not declare or pay distributions during the years ended December 31, 2025 and 2024.

18. RENTAL REVENUE

Rental revenue is comprised of the following:

	Year ended December 31,	
	2025	2024
Property base rent and parking	\$ 95,084	\$ 103,609
Operating cost recoveries	59,806	60,389
Tax recoveries	25,033	27,649
Revenue on delivery of hotel goods and services	12,622	12,576
Straight-line rent and other changes	(7,255)	(7,266)
Total	\$ 185,290	\$ 196,957

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

	December 31, 2025	December 31, 2024
Not later than one year	\$ 100,478	\$ 107,684
Later than one year and not later than five years	298,988	347,408
Later than five years	154,034	158,278
Total	\$ 553,500	\$ 613,370

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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 8.

19. INTEREST AND FINANCE COSTS

Interest and finance costs are comprised of the following:

	Year ended December 31,	
	2025	2024
Mortgage interest	\$ 39,538	\$ 36,008
Interest on other debt	25,826	22,174
Amortization of financing costs	11,209	6,309
Amortization of debt mark-to-market adjustments	(32)	(35)
Interest on convertible debentures	10,593	10,623
Total interest expense	\$ 87,134	\$ 75,079
Non-cash interest expense	(11,177)	(6,274)
Unpaid convertible debenture interest	(10,593)	(10,196)
Interest paid in kind ¹	(20,151)	—
Total interest paid	\$ 45,213	\$ 58,609

¹See note 11 for discussion of interest paid in kind to G2S2 Capital.

20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

	Note	Year ended December 31,	
		2025	2024
Salaries, benefits and employee costs		\$ 4,395	\$ —
Less: Salaries allocated to recoverable operating expenses		(3,874)	—
Asset management fees	22	—	4,766
Management Agreement termination fee	22	—	2,000
Professional fees	22	2,139	3,508
Trustee fees		333	317
Bad debt expense (recovery), net		539	951
Other		1,344	1,388
Total		\$ 4,876	\$ 12,930

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21. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	Note	Year ended December 31,	
		2025	2024
Interest rate swaps	13	\$ 476	\$ 1,183
Net receipts on interest rate swaps	13	(2,669)	(11,754)
Disposition of interest rate swap		(688)	—
Interest rate caps	13	(69)	(2,451)
Convertible debenture embedded derivatives	13	31	403
Deferred units	16	192	69
Cross currency swap	13	(6,605)	(1,512)
Total change in fair value of financial instruments recognized in net loss		\$ (9,332)	\$ (14,062)

22. RELATED PARTY TRANSACTIONS

i. Former Manager

During the year ended December 31, 2024, key management personnel of the REIT were employed by Slate Asset Management L.P. ("SLAM"). The REIT had a management agreement (the "Management Agreement") with Slate Management ULC (the "Former Manager", and together with SLAM, "Slate"), an indirect subsidiary of SLAM. Under the Management Agreement, the Former Manager provided the REIT with the strategic, administrative, property management, leasing, acquisition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. On December 24, 2024, the REIT amended its Management Agreement with the Former Manager to, among other things, accelerate the termination of the Management Agreement and implement the Internalization, which was effective December 31, 2024. Following the implementation of the Internalization, Slate ceased to be a related party.

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

The Management Agreement provided for the following fees:

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

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

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

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

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

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

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Amounts charged by Slate were as follows:

	Year ended December 31,	
	2025	2024
Fees charged by the Former Manager per Management Agreement:		
Property management	\$ —	\$ 5,338
Management Agreement termination fee	—	2,000
Asset management	—	4,766
Leasing, financing and construction management	—	2,963
	\$ —	\$ 15,067
Other amounts charged by Slate ¹:		
SLAM asset manager salary recoveries ²	—	815
SLAM asset management software ³	—	293
Property operating expenses	—	1,108
General and administrative expenses	—	785
	\$ —	\$ 1,893
Total charged by Slate	\$ —	\$ 16,960

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

²Included in property administrative fees as shown below.

³Asset management software developed by Slate.

Prior to January 1, 2025, property administration fees were generally recoverable under the tenants' leases relating to assets or resources of the Former Manager that were directly attributable to the management of the REIT's investment properties. During the year ended December 31, 2024, property administration fees were \$11.1 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 on behalf of the Former Manager and related recoveries included in the REIT's consolidated statement of loss:

	Year ended December 31, 2025	
	2025	2024
Property administration fees	\$ —	\$ 11,120
Less: administrative fees recovered from tenants	—	(6,243)
Property administration fees not recovered	\$ —	\$ 4,877

ii. G2S2 Capital

An individual who served as a trustee of the REIT during the year ended December 31, 2025, but ceased to be a trustee subsequent to year end, and a corporation controlled by that individual, G2S2 Capital, through its wholly-owned subsidiary, Armco Alberta Inc., held the following interests in the REIT:

	December 31, 2025	December 31, 2024
REIT units	—	15,110,200
Deferred units	302,058	160,866
Total	302,058	15,271,066
Economic interest	0.3%	17.7%

On December 12, 2025, G2S2 Capital disposed of an aggregate of 15,110,200 REIT units in private transactions at a price of \$0.31 per REIT unit, for total aggregate consideration of \$4,684,162, representing approximately 18.76% of the outstanding REIT units.

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G2S2 Capital also held an aggregate principal amount of \$12.1 million (December 31, 2024: \$12.1 million) of the REIT's convertible debentures as at December 31, 2025. If G2S2 Capital was the sole convertible debenture holder to convert such convertible debentures to trust units, it would indirectly own a total of 2,438,184 trust units (December 31, 2024: 17,407,192), representing an economic interest of approximately 2.7% (December 31, 2024: 19.7%) on a diluted basis.

On August 28, 2024, G2S2 Capital provided the REIT with credit support in the aggregate of up to \$13.4 million and a letter of credit. As at December 31, 2025, \$5.9 million has been advanced to the REIT. During the year ended December 31, 2025, the REIT triggered an event of default under a mortgage that includes cross-default provisions with the credit support provided by G2S2 Capital. As a result, the REIT also triggered an event of default on the credit support and therefore, the advance from the credit support has been classified as current debt. Subsequent to December 31, 2025, G2S2 Capital advanced additional funds to the REIT (see note 29, *Subsequent events*).

On March 28, 2025, the secured lenders party to the Syndicated Credit Agreement completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital in the aggregate principal amount of \$233.0 million and U.S. \$43.7 million. Additionally, on March 31, 2025 and December 2, 2025, two senior secured lenders of the REIT completed a sale of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$406.0 million. See note 2.

The REIT's indebtedness to G2S2 Capital as at December 31, 2025 is as follows:

	Properties provided as security	Principal
Gross mortgages	9	\$ 419,671
Convertible debentures	—	12,107
Revolving facilities	11	287,459
Total	20	\$ 719,237

During the year ended December 31, 2025, G2S2 Capital and the REIT agreed to capitalize the interest payable for various months between May and December 2025, totaling \$20.2 million, to G2S2 Capital under the revolving credit facilities and related mortgages. The accrued interest is capitalized to the principal balance of the revolving credit facilities and the respective mortgages. Accordingly, the capitalized interest forms part of the outstanding principal balance of debt as at December 31, 2025. The accrued interest for December 2025, which was due and payable on January 1, 2026, was capitalized to the debt principal subsequent to December 31, 2025 (see note 15).

iii. Officers of the REIT

During the year ended December 31, 2025, the REIT entered into consulting arrangements with entities associated with certain officers of the REIT. The Chief Financial Officer provided CFO services through a company in which he has an ownership interest, for total fees of \$75 thousand. In addition, tax advisory services were provided through the same entity by another consultant of that company, for fees of \$28 thousand, which were payable as at December 31, 2025.

The REIT also engaged a company associated with the Senior Vice President – Legal, to provide legal and compliance services during the year for total fees of \$60 thousand.

These related party transactions were approved by management and rendered in the ordinary course of business. The arrangements were subsequently reviewed and ratified by the Audit Committee. Except as noted above, no other amounts were payable to related parties as at December 31, 2025.

23. 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.

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

- Level 1: Quoted prices in active markets;
- Level 2: Inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3: Valuation techniques for which significant inputs are not based on observable market data.

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

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:

December 31, 2025	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Assets					
Investment properties	7	\$ 1,130,418	\$ —	\$ —	1,130,418
Derivatives	13	—	—	—	—
Total assets		\$ 1,130,418	\$ —	\$ —	1,130,418
Liabilities					
Derivatives	13	(9,060)	—	(9,060)	—
Class B LP units	14	(978)	(978)	—	—
Debt	11	(1,126,073)	—	(1,065,192)	—
Total liabilities		\$ (1,136,111)	\$ (978)	\$ (1,074,252)	—

December 31, 2024	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Assets					
Investment properties	7	\$ 1,131,334	\$ —	\$ —	1,131,334
Assets held for sale	7	16,500	—	—	16,500
Derivatives	13	4,083	—	4,083	—
Total assets		\$ 1,151,917	\$ —	\$ 4,083	1,147,834
Liabilities					
Derivatives	13	(2,864)	—	(2,864)	—
Class B LP units	14	(2,854)	(2,854)	—	—
Debt	11	(1,074,871)	—	(1,088,440)	—
Debt on assets held for sale	11	(15,153)	—	(15,153)	—
Total liabilities		\$ (1,095,742)	\$ (2,854)	\$ (1,106,457)	—

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24. 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 credit facilities and its net investment in foreign operations, the REIT does not enter into derivative contracts for speculative purposes. 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 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 risk is disclosed in note 2 to the consolidated financial statements.

In addition, the REIT is exposed to a significant contractual liquidity requirement in connection with a cross currency swap that matures on December 31, 2026. Upon maturity, the REIT will be required to settle the notional amount, which is currently expected to result in a material cash outflow based on prevailing foreign exchange rates. The ultimate settlement amount is sensitive to movements in the Euro, and further appreciation of the Euro relative to the Canadian dollar would increase the required funding. While the swap generates periodic net cash inflows, these are not sufficient to offset the magnitude of the final notional repayment. As a result, the REIT will need to secure additional liquidity to meet this obligation.

The following table summarizes the estimated future contractual maturities of the REIT's financial liabilities as at December 31, 2025:

	Note	Total contractual cash flow	2026	2027-2028	2029-2030	Thereafter
Accounts payable and accrued liabilities	15	\$ 84,419	\$ 84,419	\$ —	\$ —	\$ —
Amortizing principal repayments on debt	11	35,141	19,584	10,586	4,971	—
Principal repayments on maturity of debt	11	1,097,141	904,534	186,712	5,895	—
Interest on debt ¹		32,550	24,161	7,711	678	—
Interest rate swaps ²		8,649	8,649	—	—	—
Other liabilities	12	6,350	1,016	1,037	2,004	2,293
Total		\$ 1,264,250	\$ 1,042,363	\$ 206,046	\$ 13,548	\$ 2,293

¹Interest amounts on floating rate debt have been determined using rates as at December 31, 2025.

²Interest rate swap obligations have been calculated as the difference between the pay-fixed rate and receive-float rate based on the forward rates determined as at December 31, 2025.

Interest rate risk

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

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

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As at December 31, 2025, after the impact of interest rate swaps, the REIT had floating rate debt of \$642.1 million (December 31, 2024: \$260.0 million). The increase in floating rate exposure during 2025 reflects amendments to certain debt arrangements and the expiration or restructuring of prior hedging instruments. The following table presents the annualized impact of a change in floating interest rates of 25 bps on finance costs:

	December 31, 2025	December 31, 2024
Change of 25 bps	\$ 1,605	\$ 650

Credit risk

Credit risk is the risk that the REIT incurs a loss as a result of a counterparty not fulfilling its financial obligation. Credit risk is associated primarily with the REIT's accounts receivable and finance lease receivable, which are measured at amortized cost and subject to impairment assessment under the expected credit loss model in accordance with IFRS 9 (see note 8). 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 changes in exchange rates will affect the fair value or future cash flows of the REIT's financial instruments. The REIT may use foreign currency forward contracts from time to time to hedge its net investment in foreign operations. Refer to notes 13 and 21 for details of the REIT's forward currency and cross-currency swap 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.

25. 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, return capital to unitholders, or reduce debt. However, as a result of certain event of default notices received as at December 31, 2025, the REIT is subject to various additional restrictions beyond those disclosed in note 24. 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, 2025	December 31, 2024
Debt	\$ 1,126,073	\$ 1,090,024
Class B LP units	978	2,854
Equity	(29,141)	59,810
Total	\$ 1,097,910	\$ 1,152,688

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In order to provide for greater flexibility, on January 15, 2024, the REIT obtained unitholder approval to amend 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 its discretion to implement the amendment to the declaration of trust in the form of a waiver of the Restriction until rather than implement the proposed amendment as a blanket removal of the Restriction. The Board of Trustees subsequently extended the waiver until December 31, 2026 and the Restriction will be revived from and after January 1, 2027 unless further amended in accordance with the Declaration of Trust. Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines. 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 as at December 31, 2025 was 94.2% (December 31, 2024: 89.4%) and calculated as follows:

	December 31, 2025	December 31, 2024
Total assets	\$ 1,197,739	\$ 1,229,711
Less: Restricted cash	(2,197)	(10,656)
Gross book value	\$ 1,195,542	\$ 1,219,055
Debt	1,126,073	1,090,024
Leverage ratio	94.2%	89.4%

Management's target is to reduce the REIT's total indebtedness below 65% of its gross book value by executing on a 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 continue to exceed 65% of the REIT's gross book value.

Financial covenants

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

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

- Total debt to gross book value 65% or less (as at December 31, 2025 - 94.2%)
- Senior debt, which is total debt excluding the REIT's convertible debentures to gross book value, of 55% or less (as at December 31, 2025 - 81.3%).
- Debt service coverage ratio not less than 1.25:1 (as at December 31, 2025 - 0.97:1).
- Minimum unitholders' equity, which includes the REIT's Class B LP units of \$350.0 million (as at December 31, 2025 - \$(28.0) million).

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

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As at December 31, 2025, as discussed above, the REIT exceeded the financial leverage and debt service coverage covenants on its revolving credit facilities and certain other mortgages, resulting in other mortgages being in breach due to cross-default clauses. The convertible debentures were also in default as a result of restrictions arising from defaults under senior indebtedness as discussed in note 24. The REIT is in active discussions with its lenders to amend, renew or consider alternative arrangements on terms and 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 a 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), and such circumstances may result in the enforcement of security by lenders.

26. 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, 2025	December 31, 2024
Canada	\$ 730,176	\$ 699,254
United States	144,340	210,408
Ireland	255,902	238,172
Total	\$ 1,130,418	\$ 1,147,834

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

	Year ended December 31, 2025			
	Canada	United States	Ireland	Total
Property revenue	\$ 119,547	\$ 48,178	\$ 24,820	\$ 192,545
Property operating expenses	(71,971)	(33,232)	(6,564)	(111,767)
Net operating income	\$ 47,576	\$ 14,946	\$ 18,256	\$ 80,778
Straight-line rent and other changes				(7,255)
Finance income on finance lease receivable				2,359
Interest income				936
Interest and finance costs				(87,134)
General and administrative				(4,876)
Costs related to a potential recapitalization plan				(3,531)
Change in fair value of financial instruments				(9,332)
Change in fair value of investment properties				(71,821)
Depreciation of hotel asset				(212)
Transaction costs				(712)
Current income tax recovery				525
Net loss before Class B LP units				\$ (100,275)
Change in fair value of Class B LP units				1,876
Net loss				\$ (98,399)

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	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 recovery				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)

27. INCOME TAXES

The REIT has reviewed the specified investment flow-through trust ("SIFT") regime imposed by the *Income Tax Act* (Canada) which include publicly-listed income trusts (the "SIFT Rules") and has assessed their application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes that it has met the prescribed conditions relating to the nature of its assets and revenue for the years ended December 31, 2025 and 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, 2025 and 2024, there were no taxes payable for the Canadian entity.

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

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

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

	Year ended December 31,	
	2025	2024
Beginning of period	\$ —	\$ (254)
Deferred income tax expense	—	257
Foreign exchange	—	(3)
End of period	\$ —	\$ —

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A reconciliation of the expected income taxes based upon the 2025 statutory rates and the income tax recovery recognized during the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
Net loss before Class B LP units and taxes	\$ (100,800)	\$ (455,455)
Canadian statutory tax rate	26.5%	26.5%
	\$ (26,712)	\$ (120,696)
(Loss) income not subject to tax	2,155	76,219
Prior year true up	878	—
Valuation allowance	24,859	51,338
Tax rate differential	(1,705)	(4,363)
Current and deferred income tax expense (recovery)	\$ (525)	\$ 2,498

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, 2025.

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, 2025 and December 31, 2024, the REIT had tax losses carried forward available to reduce future years' taxable income, which expire as follows:

Year of expiry	December 31, 2025	December 31, 2024
2037	\$ 268	\$ 268
2038	2,751	2,751
2042	5,619	—
2043	5,730	—
2044	10,218	—
Total non-capital losses	\$ 24,586	\$ 3,019

At December 31, 2025, a subsidiary of the REIT had U.S. \$19.1 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, 2025, a subsidiary of the REIT in Ireland had deductible interest carried forward of €7.3 million 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.

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28. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital items arising from operating activities for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
Restricted cash	\$ 8,459	\$ (4,185)
Accounts receivable	(876)	(1,618)
Prepaid expenses and other assets	4,198	(1,317)
Accounts payable and accrued liabilities	2,454	21,450
Other liabilities	253	89
Changes in working capital items	\$ 14,488	\$ 14,419

Changes in liabilities arising from financing activities for the year ended December 31, 2025 are as follows:

	Cash flows				Non-cash changes					December 31, 2025
	December 31, 2024	Proceeds ¹	Payments	Financing costs and other	Assumptions	Interest paid in kind	Foreign exchange	Fair value changes	Amortization of MTM adjustments and costs	
Derivatives, net	\$ (1,219)	\$ 688	\$ —	\$ 2,669	\$ —	\$ —	\$ 61	\$ 6,861	\$ —	\$ 9,060
Mortgages ²	517,081	5,780	(14,990)	(170)	31,279	7,889	(6,161)	—	2,544	543,252
Facilities ²	296,593	—	(16,169)	(300)	—	9,964	(2,929)	—	300	287,459
Term loan	129,592	—	—	(36)	—	—	10,713	—	1,129	141,398
Convertible debentures	146,758	—	—	—	—	—	—	—	1,184	147,942
Class B LP units	2,854	—	—	—	—	—	—	(1,876)	—	978
Total	\$ 1,091,659	\$ 6,468	\$ (31,159)	\$ 2,163	\$ 31,279	\$ 17,853	\$ 1,684	\$ 4,985	\$ 5,157	\$ 1,130,089

¹Disposition of interest rate swap. Refer to note 13 and 21 for more details.

²Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 13 for more detail.

Changes in liabilities arising from financing activities for the year ended December 31, 2024 are as follows:

	Cash flows				Non-cash changes				December 31, 2024
	December 31, 2023	Proceeds	Payments	Financing costs and other	Foreign exchange	Fair value changes	Amortization of MTM adjustments and costs		
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 ²	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	

¹Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 13 for more detail.

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29. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2025:

- On February 20, 2026, the REIT announced that it did not expect to make the principal or accrued interest payments due on February 28, 2026 in respect of its 9.00% convertible unsecured subordinated debentures (the "9% Debentures"). The REIT did not make the required principal or interest payments on the February 28, 2026 maturity date. The repayment amount due on maturity was \$28.8 million in principal and approximately \$5.2 million in accrued and unpaid interest to, but excluding, the maturity date. The REIT has been in default of its obligation to pay interest on the 9% Debentures since March 1, 2024. Trading in the 9% Debentures was suspended on February 23, 2026 and the 9% Debentures were delisted from the TSX on March 2, 2026 in connection with their maturity. This event does not result in any adjustment to the amounts recognized as at December 31, 2025.
- The REIT continues to explore available alternatives to address its financial difficulties, including the current defaults on its existing indebtedness, including with respect to the 9% Debentures, and its ongoing capital requirements. As of the date hereof, no agreement has been reached with any of the REIT's stakeholders with respect to any such potential alternatives, and there can be no assurance that the REIT will be successful in negotiating any such potential alternatives, or in accessing the funding needed for the REIT to continue as a going concern.
- Subsequent to December 31, 2025, G2S2 Capital advanced to the REIT an additional \$5.5 million pursuant to the credit support agreement between the parties dated August 28, 2024 (see note 22(ii), *Related party transactions*).