EQUITON®

Q1 REPORT
2025

EQUITON REAL ESTATE INCOME AND DEVELOPMENT FUND TRUST

CONTENTS

FORWARD-LOOKING INFORMATION

Certain information in this communication contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may relate to future events or the Trust's performance. Forward-looking information includes, but is not limited to, information regarding the Trust's distributions, growth potential and volatility, investor returns, ability to achieve operational efficiencies, objectives, strategies to achieve those objectives, beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, results, circumstances, performance or expectations and other statements that are not historical facts. These statements are based upon assumptions that the Management of the Trust believes are reasonable, but there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking information involves numerous assumptions, known and unknown risks, and uncertainties that contribute to the possibility that the forward-looking statements will not occur and may cause actual results to differ materially from those anticipated in such forward-looking statements. Some of these risks are discussed in the section "Risk Factors" in the Offering Memorandum. These forward-looking statements are made as of the date of this communication and the Trust is not under any duty to update any of the forward-looking statements after the date of this communication other than as otherwise required by applicable legislation.

Jason Roque,
CEO and Founder

LETTER FROM THE CEO & CFO

In recent months, investors around the world have observed pronounced volatility in North American public equity markets. As providers of stable, private real estate investment solutions, Management is proud to report that the Equiton Real Estate Income and Development Fund Trust (the Trust), guided by an experienced and disciplined Management team, helped Investors navigate today's shifting economic and geopolitical landscape.

This approach delivered strong results in Q1'25, with Class A and Class F DRIP units achieving net trailing 12-month total returns of 6.28% and 7.37%, respectively, reflecting both reliable income and capital growth. The Trust continues to target an annual net return of 12% to 16% over a 10-year horizon. The portfolio is composed of income-generating commercial assets and active development projects, which together offer a blend of consistent cash flow and long-term upside.

The quarter's improving interest rate environment created lower borrowing costs and therefore provided more support for potential homebuyers. Following two rate cuts in late 2024, the Bank of Canada (BoC) implemented a 25-basis-point reduction in January and another in March, bringing the benchmark rate to 2.75%, with further easing anticipated in the coming months.

Helen Hurlbut,
President and CFO/Co-Founder

This outlook reinforces Management's ability to pursue strategic growth and deliver strong risk-adjusted returns to Investors, while also providing a tailwind to the Trust's commercial portfolio, which encompasses a diverse mix of tenants including a bank branch, personal services, quick service restaurants, and other retail. Necessity-based tenants such as these have historically provided reliable rental occupancy and rents; with rates falling, this resilience will be bolstered further by increases in consumer spending and tenant business growth.

Complementing improved borrowing conditions, new federal incentives, such as 30-year amortization mortgages for first-time buyers, provided meaningful drivers for the condominium market as well. Easing costs are expected to restore buyer confidence and reactivate sidelined demand, particularly among prospective first-time homebuyers seeking an affordable entry point into the housing market amid persistent affordability challenges.

At the same time, construction starts are hitting new lows, setting the stage for a scarcity of quality condo inventory in the coming years. With buyers regaining purchasing power just as supply tightens, this environment positions the Trust's pipeline of active development projects to benefit from anticipated pricing support and buyer demand at targeted completion dates.

Operationally, the Trust's income-producing commercial portfolio showed growth in Q1'25, generating year-to-date operating revenues of $284,552. Assets under management (AUM) total $49.0M, reflecting a 34.9% Y/Y increase following the expansion of the commercial portfolio.

"Improving financial conditions, combined with persistent housing demand, will continue to create compelling opportunities."

Committed occupancy reached 94.3%, up from 91.2% Y/Y. Leases averaged 5.97 years (weighted) and include clauses for regular rent increases, providing contractual income growth over the long term. Net operating income (NOI) for the period totalled $166,930.

The Trust also expanded its financial lending portfolio in January, issuing a third loan and increasing the total position to $5.2M at a weighted average interest rate of 6.55%. Separately, the Trust maintained disciplined debt service metrics on its own obligations, with a 1.76x interest coverage and a prudent 53.6% LTV ratio (down from 53.9% in December 2024), which supports enhanced financial flexibility for future acquisitions and capital planning.

The Trust's development projects complement its distribution strategy for Investors, who benefit from regular yield through monthly distributions, with the potential for larger special distributions upon successful project completions. Progress across ongoing developments remains on track, enhancing the Trust's ability to execute on this model.

The development pipeline currently includes four projects, one of which, Marquis Modern Towns, exists wholly within the Trust. Marketing efforts continue for Marquis at 708 Woolwich Street, Guelph, where 48 units were occupied by the end of the quarter. Successful buyer- and broker-focused events showcasing the project and a dedicated sales office continue to drive interest.

In January 2025, Equiton Developments introduced the new MAXIUM brand of mid-rise developments. MAXIUM is defined by creating truly livable condos located in desirable and vibrant neighbourhoods. High-end designs and finishes, as well as carefully selected amenities, are a cornerstone of the MAXIUM brand, which was developed to better meet evolving buyer preferences and improve overall marketability. All current and future mid-rise projects will fall under the MAXIUM banner.

Accordingly, active development projects in Toronto have undergone notable redesigns to strategically align them to the MAXIUM philosophy. Located just outside the city core, TEN99 Broadview has been reimagined as two towers atop a shared podium, enhancing visual appeal while maximizing natural light for all units. The Sandstones Condo project was also redesigned with a focus on spacious layouts. In the city's West End, Vicinity Condos at 875 The Queensway is expected to be the first development completed under the new brand.

Looking ahead, additional interest rate cuts anticipated through the remainder of 2025 are expected to further support activity in Canada's real estate market, driving renewed momentum in both sales and pricing. Residential construction costs are showing early signs of stabilizing, with the most notable cost relief emerging in major markets such as Toronto, Montreal, and Vancouver.

Management remains confident that improving financial conditions, combined with persistent housing demand, will continue to create compelling opportunities in the year ahead. The Trust remains focused on disciplined execution and generating long-term value through a diversified portfolio of real estate assets.

Jason Roque, CEO and Founder
Helen Hurlbut, President and CFO/Co-Founder

CORPORATE PROFILE

Established in 2015, Equiton is a leader in private equity investments. Our remarkable growth is a result of our leadership team's expertise in the industry and their ability to generate long-term wealth through real estate investments. We know that finding the right opportunities involves time, experience, and discipline. Our strategy is always forward looking, anticipating trends and adapting our approach to strengthen our market position. We focus on capitalizing on value creation opportunities and building the most robust portfolio possible for our Investors while creating spaces our Residents are proud to call home. We create value by investing in real estate and leveraging opportunities for improvement, optimization, and redevelopment. At Equiton, we are focused on making private equity real estate investments more accessible to Canadians so they can build their wealth through these solutions.

We focus on capitalizing on value creation opportunities and building the most robust portfolio possible for our Investors.

OPERATING HIGHLIGHTS

Summary of Key Performance Indicators (KPIs)

As at March 31,	Q1 2025	Q1 2024
Portfolio Performance		
Total Fund AUM ($ Million)	**$49.0**	**$36.3**
Commercial Operations		
Hyde Park Commons and 710 Woolwich		
Weighted Average Occupancy Rate	94.3%	91.2%
Weighted Average Net Retail Rental Rate ($ per occupied sq. ft.)	$33.08	$32.73
Operating Revenues	$284,552	$306,923
NOI	$166,930	$184,352
NOI Margin	58.7%	60.1%
Mortgage Debt to Gross Book Value	53.6%	59.7%
Weighted Average Time Remaining on the Mortgage (years)	2.42	3.41
Debt Service Coverage (times)[1]	1.21	1.19
Interest Coverage (times)[1]	1.76	1.70
Weighted Average Lease Term to Maturity (years)	5.97	6.27
Gross Leasable Area (sq. ft.)	26,159	26,159
Occupied Area (sq. ft.)	24,659	23,859
Vacant Area (sq. ft.)	1,500	2,300
Financial Lending Operations		
Loan(s) Receivable	$5,200,000	-
Weighted Average Interest Rate[2]	6.55%	-
Weighted Average Time Remaining to Maturity (months)	13	-
Number of Loans	3	-
Development Operations		
Active Development Projects	1	1
Equity Investment in Development[3]	$9,081,123	$7,627,383
Total Development Cost Incurred to Date[4]	$41,706,028	$15,895,241

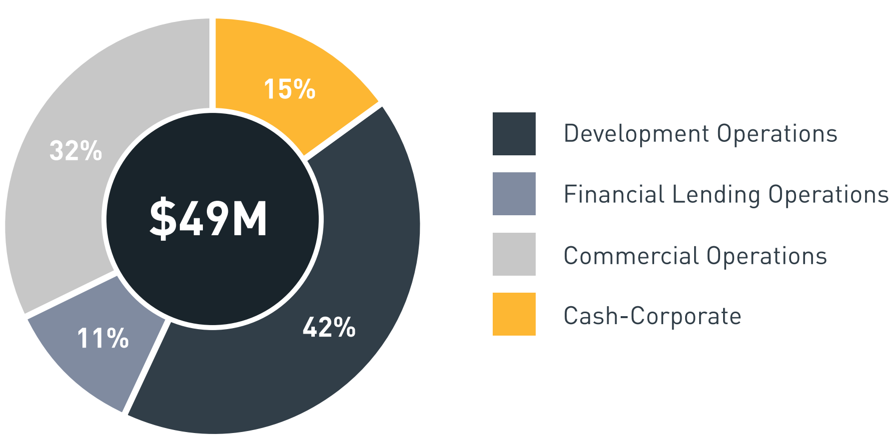
[1] Debt Service Coverage includes executed new tenancy at Hyde Park Commons.
[2] Interest rate at period end is variable in nature and subject to change.
[3] Represents the Trust's 100% equity ownership in the Woolwich Development Project as at March 31, 2025 and 85% ownership as at March 31, 2024.
[4] Total expenditures incurred for the Woolwich Development Project representing the Trust's 100% ownership interest as of March 31, 2025 and 85% ownership as of March 31, 2024.

OPERATING HIGHLIGHTS

Assets Under Management (AUM)

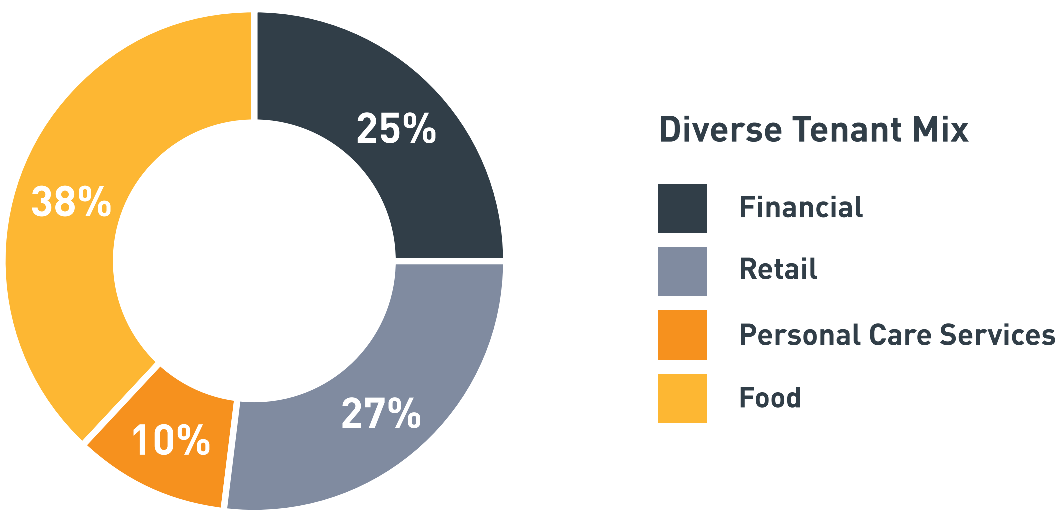
	Q1 2025	Q1 2024
Commercial Operations		
Investment in Hyde Park Commons[1]	11,374,089	10,200,000
Investment in 710 Woolwich	4,500,000	4,359,382
Cash	130,598	245,237
Commercial Operations	**$16,004,687**	**$14,804,619**
Financial Lending Operations		
Loans Receivable	5,200,000	-
Cash	148,857	441
Financial Lending Operations	**$5,348,857**	**$441**
Development Operations		
Investment in Woolwich Development Project[2]	10,547,941	7,780,318
Investment in Sandstones Condo	4,300,000	4,300,000
Investment in Vicinity Condos	2,400,000	2,400,000
Investment in TEN99 Broadview	3,200,000	-
Cash	11,392	460
Development Operations	**$20,459,333**	**$14,480,778**
Cash - Corporate	**$7,188,563**	**$7,042,602**
AUM ($)[3]	**$49,001,440**	**$36,328,440**

[1] The fair value of the investment property located at Hyde Park in London includes a capital expense of $374,089.
[2] Represents the Trust's 100% equity ownership in the Woolwich Development Project plus receivables as at March 31, 2025 and 85% ownership as at March 31, 2024.
[3] AUM is before the elimination of inter-entity transactions. Inter-entity transactions between the respective operations have been eliminated in the Trust's consolidated statements.



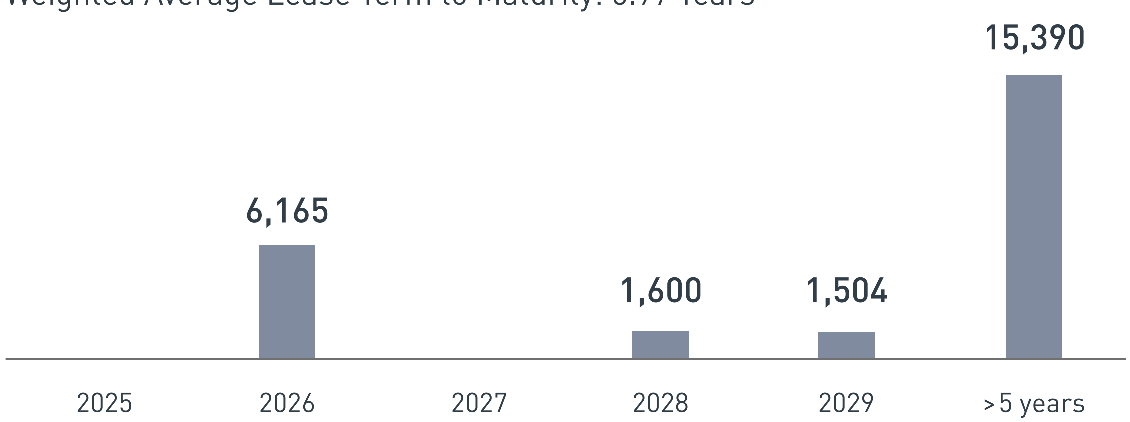
INCOME-PRODUCING COMMERCIAL TENANT PORFOLIO

Commercial Tenant Occupancy - By Area



Commercial Tenant Maturity Profile - By Area (Sq. Ft.)

Weighted Average Lease Term to Maturity: 5.97 Years



ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS: NONE

DISPOSITIONS: NONE

INCLUDED IN THE PORTFOLIO

INCOME-PRODUCING COMMERCIAL PROPERTY

Hyde Park Commons
1960 - 1980 Hyde Park Road, London, Ontario

Hyde Park Commons is a retail complex in northwest London, one of the city's fastest-growing residential areas. Located just south of Fanshawe Park Road West and west of Wonderland Road North, the property benefits from significant pedestrian traffic and high visibility along Hyde Park Road. It includes six units within an open-air retail structure and two standalone pad sites equipped with drive-thru facilities. Its prime location offers easy access via public transit and ample parking with 104 spaces. Anchored by Wendy's and CIBC, the plaza boasts a healthy mix of tenants, including retail, financial services, and dining options.

19,526 sq. ft. of Retail Space

2.63 Acres

INCOME-PRODUCING COMMERCIAL PROPERTY

Retail Store

710 Woolwich Street, Guelph, Ontario

The Trust acquired a standalone retail building in September 2023 which was constructed as part of Equiton's Woolwich Development Project. This commercial unit was built-to-suit The Beer Store, who signed a 10+ year net lease during the development phase. Located in northern Guelph, the property is highly visible and accessible due to its proximity to Highway 6 and public transit. This drives substantial consumer traffic to the area.

Income-Producing Commercial Property Summary

The income-producing portfolio continues to demonstrate strong performance and stability, with a weighted average occupancy rate of 94.3%, reflecting high tenant retention and sustained demand for the space. The weighted average net retail rental rate of $33.08 per occupied square foot, combined with operating revenues of $284,552 and an NOI of $166,930, resulted in an NOI margin of 58.7%. This healthy margin underscores efficient property management and strong income generation. The portfolio has a gross leasable area of 26,159 sq. ft., and with a lease signed for the remaining 1,500 sq. ft. subsequent period end, it is well positioned for continued income stability.

From a financing perspective, the portfolio maintains a mortgage debt to gross book value ratio of 53.6%, indicating moderate leverage and prudent capital structure. The weighted average time remaining on the mortgage is 2.42 years. Debt service and interest coverage ratios of 1.21x and 1.76x, respectively, demonstrate the Trust's ability to meet its debt obligations. Additionally, the weighted average lease term to maturity of 5.97 years provides long-term cash flow visibility, further enhancing the portfolio's financial resilience and attractiveness as a stable income-producing asset.

MORTGAGES AND LOANS

As at March 31, 2025, the Trust's mortgage and loan portfolio held $5.2 million across three active loans. The portfolio continues to demonstrate strong income-generating potential, with a weighted average interest rate of 6.55%—underscoring the Trust's ability to deliver attractive risk-adjusted returns. The relatively short average loan term of 13 months reflects a deliberate strategy centred on capital flexibility and liquidity. This short-term lending horizon allows the Trust to redeploy capital more frequently, manage risk exposure, and remain agile in shifting market conditions. It also positions the Trust to take advantage of new lending opportunities as they arise, supporting its objective of steady performance and prudent capital management.

ACTIVE DEVELOPMENT PROJECT

Marquis Modern Towns
708 Woolwich Street, Guelph, Ontario

Marquis Modern Towns is a beautiful development situated in the heart of North Guelph. This project comprises 96 luxurious stacked condominium townhomes spread across four community buildings. This development project offers a contemporary living experience featuring spacious 2-bedroom, 2-bathroom urban townhomes available for purchase.

The occupancy period at Marquis is now in full swing, with 48 units successfully occupied by the end of Q1'25. With a growing number of homeowners enjoying their spaces, Marquis is quickly establishing itself as a sought-after address in Guelph. Management is preparing for registration with the city, which will proceed once all remaining suites are sold. Following the sale of the final units, a formal municipal review will take place, marking an important milestone in the completion of the development process.

Outreach efforts this quarter have proven highly effective in driving engagement and sales. In January, a well-attended Broker Event was hosted in Guelph with over 70 GTA agents in attendance. In March, Management partnered with BMO to deliver a series of buyer-focused Info Sessions. These sessions provided valuable insights into financing options and highlighted the appeal of the move-in ready townhomes at Marquis. Driven by effective marketing efforts, the sales office continues to attract prospective buyers.

Despite broader market challenges, strong first-quarter sales underscore the lasting value and appeal of Marquis Modern Towns. Management expects to continue building momentum toward achieving full sell-out and registration in the coming months.

Artist Concept

ACTIVE DEVELOPMENT PROJECT

Sandstones Condo Trust (~11% Interest)
2257 Kingston Road, Toronto, Ontario

Significant design progress was made in Q1'25 at Sandstones Condo, a 13-storey mid-rise development at 2257 Kingston Road. A comprehensive redesign improved circulation, suite layouts, and amenity programming, resulting in a more efficient and marketable building. Studio units were removed in favour of more 1-bedroom and 1-bedroom+den suites, increasing the average unit size by 15%—from 650 to 750 sq. ft. The project will offer approximately 250 residential condo units, two levels of underground parking, and 11,900 sq. ft. of commercial space. Positioned in a prime location, this build-for-sale development is expected to attract strong buyer interest. Updated building renderings are underway to showcase the design enhancements.

Design work has advanced across multiple fronts. Layouts for the various suite types are being carefully developed to highlight our focus on livability, while floorplans—including stunning penthouse units with expansive terraces—were approved. A new Scavolini kitchen package tailored specifically for Kingston Road as well as other interior design specifications have also been finalized and approved. Several amenity spaces have been reimagined to better reflect the needs of future residents.

The Site Plan Approval (SPA) process continues to move forward, with initial feedback from the City of Toronto anticipated in May and the subsequent resubmission will proceed shortly thereafter. The expert Equiton Developments team continually monitors the market to identify optimal timing and inform key project decisions. In response to evolving market conditions, the projected occupancy date has been strategically moved to Q3'28 to align unit sales with the anticipated real estate market upswing.

These developments lay the groundwork for the creation of sales, marketing, and legal materials in anticipation of the future launch.

ACTIVE DEVELOPMENT PROJECT

Vicinity Condos Trust (~9% Interest)
875 The Queensway, Toronto, Ontario

The first quarter of 2025 marked steady progress at Vicinity Condos as the project entered the final stages of the approvals process and community engagement efforts ramped up.

This planned 11-storey mid-rise development is located at 875 The Queensway in the west end of Toronto, just off the Gardiner Expressway. The highly desirable location is close to local amenities and just minutes from downtown Toronto. Featuring 152 residential units, 2,500 sq. ft. of commercial space, and 13,000 sq. ft. of amenities, this boutique development boasts thoughtfully designed suites ranging from studios to three bedrooms, with high-end finishes and a focus on livability.

Building on the strong momentum from the successful MAXIUM launch in January, project visibility has been elevated through a weekly open house series designed to engage prospective buyers and brokers and strengthen ties with the local community. These curated events—featuring project updates, neighbourhood highlights, and limited-time incentives—have been well-received, generating positive buzz and driving increased interest in the development.

To further support first-time buyers and end users, a monthly deposit incentive program was deployed. This initiative provides added financial flexibility, making homeownership more attainable for a broader range of purchasers and enhances the project's appeal in a competitive market.

The application for the Full Building Permit has been submitted and is currently under review by Toronto Building. Once secured, this milestone will enable us to move confidently into the construction phase. Due to shifting market conditions, the projected occupancy date has been strategically adjusted to Q1'28 to better align unit sales with the expected upswing in the real estate market.

With growing community interest, targeted outreach efforts, and key approvals in motion, Vicinity Condos is on solid footing and well-positioned for continued momentum and success as we move into the second quarter.

Artist Concept

ACTIVE DEVELOPMENT PROJECT

TEN99 Broadview Trust (~10% Interest)
1099 Broadview Avenue, Toronto, Ontario

TEN99 Broadview is a planned mid-rise condo located near Rosedale and Greektown in Toronto. This development project, located at 1099 Broadview Avenue, is designed to elevate the condo living experience and will feature ~375 residential units, ground floor commercial space, and a host of both indoor and outdoor amenities. Residents will enjoy expansive balconies with stunning city skyline views and convenient access to downtown, major highways, and transit.

Exciting progress was made at 1099 Broadview Avenue in Q1'25, with a major redesign marking a key milestone for the project. Employing a strategic approach to development, the reimagined building design now features two towers (14 and 16 storeys) atop a shared podium, a format that enhances the visual appeal of the development while maximizing access to natural light for all units. This revised configuration also introduces greater efficiency in construction and sales phasing. The project can now be built and sold in two stages, allowing for occupancy to begin in one tower while the second tower remains under construction. In response to evolving consumer preferences, larger floorplans have been incorporated as well as a curated collection of amenities.

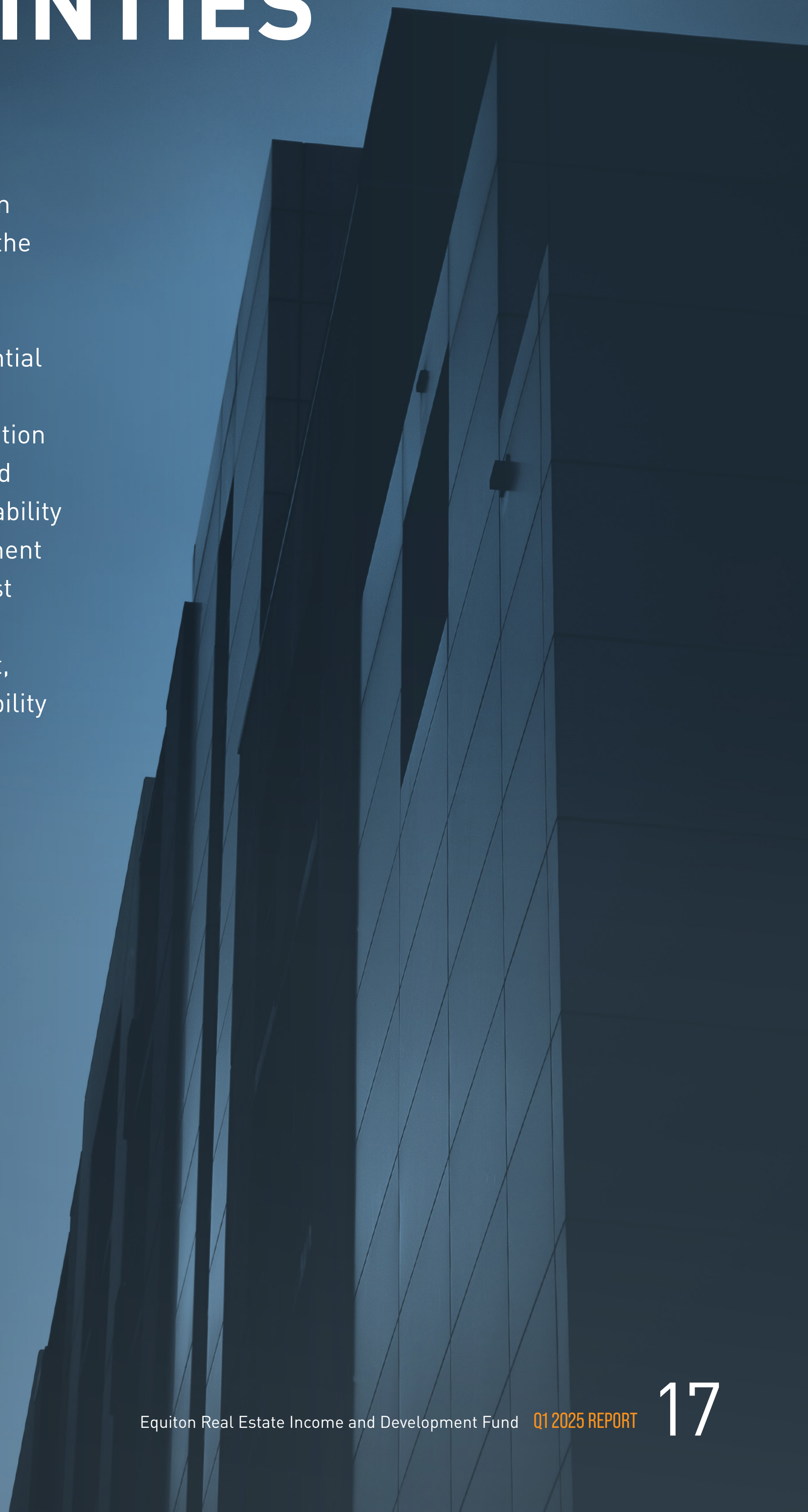
The revised design also introduces a stunning central front courtyard, a beautifully landscaped rear courtyard at grade, and a rooftop amenity space offering panoramic views of downtown Toronto and the Don Valley recreation area. These key features will differentiate this project in the market.

Redesigned new building renderings have been developed to showcase and better communicate the project's refreshed vision and new architectural philosophy. These changes position the development for long-term success, balancing design excellence with practical execution and consumer appeal.

On the planning front, we are currently working to incorporate the City of Toronto's minimal comments on our Zoning By-law Amendment (ZBA) ahead of our resubmission which will include updates that reflect the revised design and planning strategy.

These enhancements position 1099 Broadview Avenue for a successful next phase, as we work toward resubmission and prepare for future launch activities.

RISK AND UNCERTAINTIES



There are certain risk factors inherent in an investment in the Trust Units and in the activities of the Trust, including, but not limited to, risks related to availability of distributable income, liquidity and potential price fluctuations of the Trust Units, redemption risk, tax-related risks, litigation risks, risks of real estate investment and ownership, mortgage refinancing, availability of cash flow, risk of changes in government regulation, environmental matters, Trust Unitholder liability, dependence on key personnel, potential conflicts of interest, changes in legislation, investment eligibility and dilution arising from the issue of additional Trust Units. See "OFFERING MEMORANDUM" for full list of Risks.

Consolidated Financial Statements

Equiton Real Estate Income and Development Fund Trust (Unaudited)

For the three months period ended March 31, 2025

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Financial Position

	Mar 31,2025	Dec 31, 2024
Assets		
Cash	**$ 8,031,126**	$ 6,920,435
Restricted cash	**39,975**	34,975
Accounts receivable	**88,109**	58,827
Prepaid expenses	**235,139**	657,074
Investment property (Note 4)	**15,874,089**	15,872,467
Real estate inventory under development (Note 5)	**41,706,028**	40,922,128
Due from related parties (Note 6)	**15,020**	15,020
Promissory note receivable (Note 9)	**2,212,106**	2,243,990
Investment in Vicinity Condos Trust (Note 7)	**2,400,000**	2,400,000
Investment in Sandstones Condo Trust (Note 7)	**4,300,000**	4,300,000
Investment in Ten99 Broadview Trust (Note 7)	**3,200,000**	3,200,000
Property and equipment	**20,983**	41,968
Mortgage receivable (Note 8)	**5,146,500**	4,148,000
Other assets	**432,687**	264,515
Total assets	**$ 83,701,762**	$ 81,079,399
Liabilities		
Payables and accruals	**$ 1,463,491**	$ 4,346,051
Customer deposits	**4,777,215**	2,892,980
Unit subscriptions held in trust	**39,975**	34,975
Security deposit	**70,108**	70,108
Due to related parties (Note 6)	**123,479**	73,149
Mortgages payable (Note 10)	**8,412,252**	8,449,703
Construction loan (Note 11)	**28,684,430**	27,932,928
Liabilities excluding net assets attributable to unitholders	**43,570,950**	43,799,894
Net assets attributable to unitholders	**40,130,812**	37,279,505
Total liabilities and net assets attributable to unitholders	**$ 83,701,762**	$ 81,079,399

Commitments (Note 16)

Approved on behalf of the Trust

Trustee

Trustee

See accompanying notes to the consolidated financial statements.

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Income and Comprehensive Income

	Three months period ended March 31,	
	2025	2024
Revenue		
Rental income	**$ 284,552**	$ 306,877
Interest income	**140,318**	82,934
Occupancy income	**623,530**	-
Other income	**24,135**	2,126
	$ 1,072,535	$ 391,937
Expenses		
Property operating expenses	$ **245,403**	$ 144,809
Asset managements fees (Note 13)	**229,644**	162,991
Interest and finance costs	**121,782**	124,103
Selling and marketing	**84,859**	13,072
General and administrative	**56,604**	26,550
Professional fees	**46,497**	41,823
Depreciation of property plant & equipment	**20,984**	-
Participation fees (Note 13)	**14,435**	-
Dues and subscriptions	**7,346**	7,406
Bank fees	**2,400**	2,134
Origination fees (Note 13)	**-**	1,042
—	**$ 829,954**	$ 523,930
Net Income (loss) and comprehensive income (loss)	**$ 242,581**	$ (131,993)

See accompanying notes to the consolidated financial statements.

Equiton Real Estate Income and Development Fund Trust

Consolidated Statements of Changes in Net Assets Attributable to Unitholders

For the three months period ended March 31, 2025

	Units	Deficit	Net Assets attributable to Unitholders
Net assets attributable to Unitholders, January 1, 2024	33,659,007	$ (8,142,955)	$ 25,516,052
Issuance of Class A Trust units (Note 12)	15,683,813	-	15,683,813
Redemptions of Class A Trust units (Note 12)	(1,713,419)	-	(1,713,419)
Issuance of Class F Trust units (Note 12)	198,937	-	198,937
Redemptions of Class F Trust units (Note 12)	(618,536)	-	(618,536)
Issuance of Class B Trust units (Note 12)	494,304	-	494,304
Redemptions of Class B Trust units (Note 12)	(77,625)	-	(77,625)
Issuance of Class C Trust units (Note 12)	1,554,180	-	1,554,180
Redemptions of Class C Trust units (Note 12)	(15,000)	-	(15,000)
Issuance costs (Note 12)	(1,492,538)	-	(1,492,538)
Distributions to Unitholders	-	(2,746,088)	(2,746,088)
Net income and comprehensive income	-	495,425	495,425
Net assets attributable to Unitholders, December 31, 2024	**47,673,123**	**$ (10,393,618)**	**$ 37,279,505**
Net assets attributable to Unitholders, January 1, 2025	$ 47,673,123	$ (10,393,618)	$ 37,279,505
Issuance of Class A Trust units (Note 12)	3,368,452		3,368,452
Redemptions of Class A Trust units (Note 12)	(358,629)		(358,629)
Issuance of Class F Trust units (Note 12)	32,389		32,389
Redemptions of Class F	(29,871)		(29,871)
Issuance of Class B Trust units (Note 12)	51,708		51,708
Issuance of Class C Trust units (Note 12)	698,274		698,274
Issuance costs (Note 12)	(322,886)		(322,886)
Distributions to Unitholders		(830,711)	(830,711)
Net Income		242,581	242,581
Net assets attributable to Unitholders, March 31, 2025	**$ 51,112,560**	**$ (10,981,748)**	**$ 40,130,812**

See accompanying notes to the consolidated financial statements.

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Cash Flows

	Mar 31,2025	Mar 31, 2024
Increase (decrease) in cash		
Operating activities		
Net income (loss)	**$ 242,581**	$ (131,993)
Items not affecting cash:		
Amortization of deferred financing charges	**10,630**	10,749
Amortization of property and equipment	**20,984**	-
Changes in non-cash operating items (Note 14)	**(686,629)**	1,897,757
Cash (used in) provided by operating activities	**(412,434)**	1,776,513
Financing activities		
Proceeds from issuance of Class A units	**2,781,717**	2,043,200
Proceeds from issuance of Class B units	**-**	114,000
Proceeds from issuance of Class C units	**649,468**	-
Proceeds from issuance of Class F units	**-**	46,914
Redemption of Class A units	**(358,629)**	(44,480)
Redemption of Class F units	**(29,871)**	(250,000)
Distributions	**(111,073)**	(84,725)
Issuance costs	**(322,886)**	(231,837)
Deferred financing Cost	**(97,331)**	-
Proceeds from (repayment of) mortgage payable	**800,752**	2,632,946
Cash provided by financing activities	**3,312,147**	4,226,018
Investing activities		
(Issuance of) proceeds from mortgage receivable, net	**(998,500)**	-
Purchase of investments	**(1,622)**	(1,176)
Real estate inventory development costs	**(783,900)**	(3,402,135)
Cash used in investing activities	**(1,784,022)**	(3,403,311)
Net increase (decrease) in cash during the year	**1,115,691**	2,599,220
Cash, beginning of quarter	**6,955,410**	6,339,660
Cash, end of quarter	**$ 8,071,101**	$ 8,938,880
Cash presented as:		
Cash	**$ 8,031,126**	$ 8,841,905
Restricted cash	**39,975**	96,975

See accompanying notes to the consolidated financial statements.

Equiton Real Estate Income and Development Fund Trust
Notes to the Consolidated Financial Statements
March 31, 2025

1. Nature of operations

Equiton Real Estate Income and Development Fund Trust ("Trust") is an open-ended real estate investment trust ("REIT") established on April 30, 2018 under the laws of the Province of Ontario.

As at March 31, 2025 the Trust qualified as a "mutual fund trust" (pursuant to subsection 132(6) of the Income Tax Act) and it was formed primarily to indirectly invest in a diversified pool of North American based real estate assets which include income producing property, real estate development and construction, and real estate financing and lending.

As of March 31,2025, the Trust has a 99.999% interest in Equiton Real Estate Income and Development Fund LP (the "Limited Partnership") and the Limited Partnership has a 99.999% interest in three different limited partnerships: Equiton Real Estate Development Fund LP ("Development LP"), Equiton Commercial Real Estate Fund LP and Equiton Real Estate Financial LP. Until September 5, 2024, Development LP had an 85% interest in an investment property under development through a joint operation.

2. General information and statement of compliance with IFRS

The consolidated financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in Canadian dollars, which is the Trust's functional currency. The Trust's head office is located at 1111 International Boulevard, Suite 500, Burlington, Ontario L7L 6W1.

The consolidated financial statements were approved and authorized for issue by the Trust on May 2, 2025.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its controlled investment in other entities. Control exists when the Trust is exposed or has rights to variable returns from its involvement with the investee entities and has the ability to affect those returns through its power over its investments in those entities. The investments are consolidated from the date on which control is transferred to the Trust and will cease to be consolidated from the date on which control is transferred out of the Trust.

The Trust has an investment in the Limited Partnership which is controlled via contractual arrangements that provide the Trust with control over this Limited Partnership. The results of investments acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

3. Summary of significant accounting policies (continued)

Principles of consolidation (continued)

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with the investments are eliminated to the extent of the Trust's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements of the Trust set out the assets, liabilities, revenues, expenses, and cash flows of the Trust and its direct and indirect investments in the following limited partnerships:

	Direct ownership interest at	
Entity	**Mar 31, 2025**	Dec 31, 2024
Equiton Real Estate Income and Development Fund LP	**99.999%**	99.999%
Equiton Real Estate Financial LP	**99.999%**	99.999%
Equiton Commercial Real Estate Fund Limited Partnership	**99.999%**	99.999%
Equiton Real Estate Development Fund LP	**99.999%**	99.999%

These consolidated financial statements have been prepared on the historical cost basis except for the investment property and the investment in Sandstones Condo Trust and Vicinity Condo Trust which are measured at fair value through profit and loss ("FVTPL").

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property also include property that are being constructed or will be developed for future use as investment property.

Investment property is measured initially at their cost, including related transaction costs, initial leasing commissions, and where applicable, borrowing costs. Investment property also include tenant improvements, leasing costs (commissions and straight-line rent adjustments) in order to avoid double counting when establishing the fair value of the investment property.

Subsequent expenditures are capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost of the item can be measured reliably. Such costs include suite preparation costs, which are incurred to improve the condition of a space to enhance its lease ability, and capital expenditures. All other repairs and maintenance costs are expensed when incurred.

After initial recognition, investment property is carried at fair value. Fair value is based upon valuations performed by an appraiser accredited through the Appraisal Institute of Canada, using valuation techniques including the direct capitalization and discounted cash flow methods. Recent real estate transactions with similar characteristics and location to the Trust's assets are also considered.

3. Summary of significant accounting policies (continued)

Investment property (continued)

Changes in fair value are recognized in the statement of income and comprehensive income. Investment properties are derecognized when they have been disposed.

See below for details of the treatment of leasing costs capitalized within the carrying amount of the related investment property.

Real estate inventory under development

Real estate inventory under development is acquired or constructed for sale in the ordinary course of business and is held as inventory and measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, based on prevailing market prices at each reporting date and discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs.

Cost includes all expenditures incurred in connection with the acquisition of the property and other costs incurred in bringing the inventories to their present location and condition. This includes predevelopment expenditures, direct development and construction costs and borrowing costs directly attributable to the construction of the inventory. Direct costs of real estate inventory are based on actual costs incurred or to be incurred.

Leasing costs

Leasing costs are costs incurred by the Trust to induce a tenant to enter into a lease for space in the properties. Leasing costs consist of five categories of costs, with accounting treatments as follows:

i) *Leasing commissions*
Leasing commissions are incurred by the lessor in the negotiation and execution of leasing transactions. These costs are capitalized to investment properties and are considered in the fair value adjustment of the investment properties if material, otherwise they are expensed.

ii) *Tenant improvements*
Tenant improvements are costs incurred to make leasehold improvements to the tenants' space. These costs are capitalized to investment properties and are considered in the determination of the fair value of the investment properties.

iii) *Tenant incentives*
Tenant incentives include cash payments, the buy-out of previous lease obligations, and payment of moving expenses. Tenant incentives are recognized as a receivable and amortized as a reduction of rental revenue over the initial term of the related leases. These receivables are included in investment properties and are considered in the determination of the fair value of the investment properties.

iv) *Rent free or lower than market rate rents*
Incentives in the form of free rent or lower than market rate rent form part of the straight-line rent adjustments. The accounting of straight-line rents is described in the revenue recognition note.

3. Summary of significant accounting policies (continued)

Leasing costs (continued)

v) Marketing costs
Marketing costs include advertising, space plans, credit checks and promotion costs. These costs are expensed as incurred.

The Trust may incur certain significant costs for repair or replacement items that are recoverable from tenants. If such costs incurred meet the criteria for betterment, they are capitalized to investment properties in the period incurred. Otherwise, they are recognized as an operating expense in the statement of loss and comprehensive loss in the period incurred.

Long term repairs and replacement items are recovered from tenants at cost plus interest over a number of periods. The amount recovered in the current period is included in operating expense recoveries. No receivable is set up for potential future recoveries of the long-term items due to the lack of certainty of collection.

Joint arrangements

A joint arrangement is a contractual arrangement pursuant to which the Trust or a controlled entity and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Joint arrangements are of two types - joint ventures and joint operations. A joint operation is a joint arrangement in which the Trust has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Trust has rights to only the net assets of the arrangement.

Joint operations are accounted for by recognizing the Trust's proportionate share of the assets, liabilities, revenue, expenses and cash flows of the joint operation. When Development LP transacts with either the Trust or other limited partnerships on behalf of the co-ownership, unrealized profits and losses and balances outstanding are eliminated to the extent of the Trust's interest in the joint operations.

Revenue recognition

The Trust 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.

As such, the Trust continues to use the straight-line method of base rental revenue recognition whereby the total of cash rents due over the term of a lease is recognized evenly over that term. Accordingly, an accrued rent receivable is recorded for the difference between the straight-line rent adjustments recorded as revenue and the rent that is contractually due from the tenants. This accrued rent receivable is included in investment properties.

Other rental revenues included in the leases such as parking revenues, storage revenues, signage revenues and lease termination fees are recognized as revenue during the period in which the services are performed, and collectability is reasonably assured.

3. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Service components within the Trust lease arrangements fall within the scope of IFRS 15, 'Revenue from contracts with customers', specifically the recoveries of operating costs and property taxes. The Trust recognizes recoveries revenues in the period in which the corresponding services are performed, and collectability is reasonably assured.

Interest income

Mortgage interest income is recognized at the effective interest rate and recorded over the term of the mortgage when reasonable assurance exists regarding the measurement and collectability. Lender fees are earned over the term of the mortgage as performance obligations are met. Lender fees received in advance of being recognized as revenue are deferred and recognized over the term of the mortgage.

Tenant deposits

Tenant deposits are recognized initially at the fair value of the cash received and subsequently measured at amortized cost. The Trust obtains deposits from tenants as a guarantee for returning the leased premises at the end of the lease term in a specified good condition or for specified lease payments according to the terms of the lease.

Financial instruments

(i) Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets are categorized and measured based on how the Trust manages its financial instruments and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets:

i) Measured at amortized cost,
ii) Fair value through other comprehensive income,
iii) Fair value through profit or loss

A financial asset is measured at amortized cost if it meets both of the following conditions

i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Trust's financial assets are recognized initially at fair value and subsequently at amortized cost using the effective interest method. Financial assets subsequently measured at amortized cost consist of cash, restricted cash, accounts receivable, due from related parties and mortgage receivable. The investment in Sandstones Condo Trust does not meet the criteria for amortized cost measurement and is subsequently measured at fair value through profit and loss.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

(i) Financial assets (continued)

Impairment – Expected Credit Loss Model:

For the impairment of financial assets, IFRS 9 uses a forward-looking 'expected credit loss' ('ECL') model. The measurement options for the ECL are lifetime expected credit losses and 12-month expected credit losses.

The Trust uses the practical expedient to determine ECL on receivables using a provision matrix based on historical credit loss experiences adjusted for forward-looking factors specific to the debtors and to the economic environment to estimate lifetime ECL.

(ii) Financial liabilities

In accordance with IFRS 9, 'Financial Instruments', financial liabilities are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial liabilities are measured based on two categories:

i) Amortized cost, and
ii) Fair value through profit or loss

Under IFRS 9, all financial liabilities are classified and subsequently measured at amortized cost except in certain cases. The Trust has no financial liabilities that meet the definitions of these specific cases. Financial liabilities consist of payables, unit subscriptions held in trust, security deposits, due to related parties, due to RHH Rental Properties Ltd. and mortgages payable.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

(iii) Fair value

Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The fair value hierarchy for measurement of assets and liabilities is as follows:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

(iii) Fair value (continued)

The fair value of cash, restricted cash, accounts receivable, mortgages receivable, due from/to related parties, payables, Promissory note receivable, unit subscriptions held in trust, security deposit and mortgages payable approximate their fair values due to the short-term to maturity of the financial instruments.

The fair values as at March 31, 2025 and December 31, 2024 of the investment in Sandstones Condo Trust, Vicinity Condo Trust, Ten99 Broadview Trust, investment properties, and mortgages receivable and mortgages payable before deferred financing costs are estimated at:

	March 31, 2025	Dec 31, 2024
Mortgages receivable	**$ 5,200,000**	$ 4,200,000
Investment in Sandstones Condo Trust	**4,300,000**	4,300,000
Investment in Vicinity Condo Trust	**2,400,000**	2,400,000
Investment in Ten99 Broadview Trust	**3,200,000**	3,200,000
Mortgages payable and construction loan	**37,209,468**	36,436,311

These are compared with the carrying value of:

	March 31, 2025	Dec 31, 2024
Mortgages receivable	**$ 5,200,000**	$ 4,200,000
Investment in Sandstones Condo Trust	**4,300,000**	4,300,000
Investment in Vicinity Condo Trust	**2,400,000**	2,400,000
Investment in Ten99 Broadview Trust	**3,200,000**	3,200,000
Mortgages payable and construction loan	**37,096,682**	36,382,631

Critical accounting estimates, assumptions, and judgements

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

a) Estimates

The Trust has made the following critical accounting estimates:

Investment properties

In addition, the computation of cost reimbursements from tenants for realty taxes, insurance and common area maintenance charges is complex and involves a number of estimates, including the interpretation of terms and other tenant lease provisions. Tenant leases are not consistent in dealing with such cost reimbursements, and variations in computations can exist. Adjustments are made throughout the year to these costs recovery revenues based upon the Trust’s best estimate of the final amounts to be billed and collected.

3. Summary of significant accounting policies (continued)

Critical accounting estimates, assumptions and judgements (continued)

In determining estimates of fair values for its investment properties, the assumptions underlying estimated values are limited by the availability of comparable data and the uncertainty of predictions concerning future events. Should the underlying assumptions change, actual results could differ from the estimated amounts.

i. Property tenancies
ii. Market rents
iii. Market terminal capitalization rates
iv. Discount rates
v. Direct capitalization rates
vi. Economic environment and market conditions
vii. Market activity

In determining the net recoverable estimate for the purpose of impairment testing, the assumptions of underlying estimated values are limited by the availability of comparable data and the uncertainty of prediction concerning future events. Should the underlying assumptions change, actual results could differ from the estimated amounts.

Net realizable value of real estate inventory under development

Real estate inventory under development is stated at the lower of cost and net realizable value. In calculating net realizable value, management must estimate the selling price of these assets based on prevailing market prices at the dates of the statement of financial position, discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs. If estimates are significantly different from actual results, the carrying amounts of these assets may be overstated or understated on the consolidated statements of financial position and, accordingly, earnings in a particular period may be overstated or understated.

b) Judgements

Leases

The Trust makes judgements in determining whether improvements provided to tenants as part of the tenant's lease agreement represent a capital expenditure or an incentive.

Assessment of control

In determining whether the Trust controls the entities in which it invests, management is required to consider and assess the definition of control in accordance with IFRS 10. The Trust has assessed that the Sandstones Condo Trust has the ability to direct all relevant activities of the Sandstones Condo Limited Partnership and that the General Partner does not control the Sandstones Condo Limited Partnership. There is judgment required to determine whether the rights of the Trust result in control of the Sandstones Condo Trust.

3. Summary of significant accounting policies (continued)

Critical accounting estimates, assumptions and judgements (continued)

b) Judgements (continued)

Net assets attributable to unitholders

Trust units are redeemable at the holder's option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32 - Financial Instruments: Presentation ("IAS 32"), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as net assets attributable to unitholders. The Trust units meet the necessary conditions and have therefore been presented as net assets attributable to unitholders under IAS 32.

Joint arrangements

When determining the appropriate basis of accounting for the Trust's investment in co-ownership, the Trust makes judgments about the degree of control that the Trust exerts directly or through an arrangement over the co-ownership's relevant activities. Prior to September 1, 2024, the Trust has determined that its interest in the co-ownership is a joint operation.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Future accounting policy changes

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 that will replace IAS 1, "Presentation of Financial Statements". The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces the following:

- Defined subtotals and categories in the statement of profits or loss.
- Requirements to improve aggregation and disaggregation.
- Disclosures about management-defined performance measures in the notes to the financial statements.
- Targeted improvements to the statement of cash flow by amending IAS 7, "Statement of Cash Flows".

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The standard is applied retrospectively, with specific transition provisions, and early adoption is permitted. The Trust is assessing the impact this standard will have on its financial statements.

4. Investment properties

	Mar 31, 2025	Dec 31, 2024
Balance, beginning of year	**$ 15,872,467**	$ 14,558,207
Transfer from real estate inventory under development	**-**	-
Purchase of real estate inventory from RHH Rental Properties Limited	**-**	-
Capital expenditures and transaction costs	**1,622**	373,642
Decrease in fair market value of investment properties	**-**	940,618
Balance, end of period / year	**$ 15,874,089**	$ 15,872,467

There are two Investment Properties held by the Partnership as at March 31, 2024, as follows:

- 1960-1980 Hyde Park Road, London, Ontario
- 710 Woolwich Street, Guelph, Ontario

The properties were valued as at December 31, 2024 by independent professionally qualified appraisers who hold a recognized relevant professional qualification and have recent experience in the locations of the income-producing properties valued.

The significant assumption made relating to valuations of investment properties using direct capitalization income method is the capitalization rate.

5. Real estate inventory under development

	Mar 31, 2025	Dec 31, 2024
Balance, beginning of year	**$ 40,922,128**	$ 12,493,106
Development costs	**783,900**	21,166,358
Purchase of real estate inventory from RHH Rental Properties Ltd.	**-**	7,262,664
Transfer to investment properties	**-**	-
Balance, end of period / year	**$ 41,706,028**	$ 40,922,128

The above represents real estate inventory under development that was formerly owned through a co-ownership. Effective September 5, 2024, Equiton Real Estate Development Fund LP acquired the remaining 15% ownership interest resulting in the entire development project being owned by the Trust as at March 31, 2025.

6. Related party transactions

Agreement with Equiton Capital Inc.

The Trust has entered into an Agency Agreement with Equiton Capital Inc. (the “Agent”), a related party through (a) sharing key management personnel with the Trust and (b) one of the Trustees of the Trust indirectly controls Equiton Capital Inc. The Trust has retained the Agent to act as a selling agent of the Trust Units.

Pursuant to the Agency Agreement, during the quarter ended at March 31, 2025, the Trust incurred agency fees with the Agent related to the issuance of Trust Units in the amount of $322,886 (March 31, 2024 - $ 231,837), which are included in issuance costs in the consolidated statements of changes of net assets attributable to unitholders.

Due from related parties

	Mar 31, 2025	Dec 31, 2024
Due from Equiton Balanced Real Estate Fund GP Inc. (a related party as the general partner of Equiton Balanced Real Estate Fund LP)	**$ 4,820**	$ 4,820
Due from Equiton Real Estate Commercial GP Inc. (a related party as the general partner of Equiton Real Estate Commercial LP)	**2,500**	2,500
Due from Equiton Real Estate Development GP Inc. (a related party as the general partner of Equiton Real Estate Development LP)	**2,500**	2,500
Due from Equiton Real Estate Financial GP Inc. (a related party as the general partner of Equiton Real Estate Financial LP)	**5,200**	5,200
	$ 15,020	$ 15,020

Due to related parties

	Mar 31, 2025	Dec 31, 2024
Due to Equiton Partners Inc. (a related party being the asset manager of the limited partnerships)	**$ 107,406**	$ 58,880
Due to Equiton Capital Inc. (a related party through shared management)	**16,073**	14,269
	$ 123,479	$ 73,149

Balances due to/from related parties are unsecured, non-interest bearing and due on demand.

7. Investment in Sandstone Condo Trust and Vicinity Condos Trust and Ten99 Broadview Trust

On August 24, 2023, the Partnership purchased 24,000 Class B units of Vicinity Condos Trust for $2,400,000. Vicinity Condos Trust is a related party through common management. Vicinity Condos Trust controls a limited partnership that is developing a multi-residential property located at 875 Queensway, Toronto, Ontario. The investment in Vicinity Condos Trust is recorded at its fair market value which approximates the carrying value as at March 31, 2025.

On August 31, 2022, the Trust purchased 43,000 Class B units of Sandstones Condo Trust for $4,300,000. Sandstones Condo Trust is a related party through common management. Sandstones Condo Trust controls a limited partnership that is developing a multi-residential property located at 2257 Kingston Road, Toronto, Ontario. The investment in Sandstones Condo Trust is recorded at its fair market value which approximates the carrying value as at March 31, 2025.

On April 16 ,2024, the Partnership purchased 32,000 Class B units of Ten99 Broadview Trust for $3,200,000. Ten99 Broadview Trust is a related party through common management, controls a limited partnership that is developing a multi-residential property located at 1099 Broadview Ave., Toronto, Ontario. The investment in Ten99 Broadview Trust is recorded at its fair market value which approximates the carrying value as at March 31, 2025.

8. Mortgages receivable

	Payment Type	Interest Rate	Maturity date	**Mar 31, 2025**	Dec 31, 2024
a)	Interest only	Prime + 1.50%	Mar 31, 2026	**$ 3,000,000**	$ 3,000,000
b)	Interest only	Prime + 1.50%	Jun 30, 2026	**1,200,000**	1,200,000
c)	Interest only	Prime + 2.00%	Apr 30, 2026	**1,000,000**	-
				5,200,000	4,200,000
		Less: Deferred financing charges		**(53,500)**	(52,000)
				$ 5,146,500	$ 4,148,000

Total deferred financing charges received during the three months period ended March 31, 2025 amounted to $13,500 (March 31, 2024 - $nil).

a) The mortgage receivable issued during September 2024 to Vinci LP (a limited partnership under common management) at an interest rate of prime plus 1.50%. The loan is disbursed for a period of 18 months. The prime rate at March 31, 2025 was 4.95%.

b) The mortgage receivable issued during December 2024 to Vinci LP (a limited partnership under common management) at an interest rate of prime plus 1.50%. The loan is disbursed for a period of 18 months. The prime rate at March 31, 2025 was 4.95%.

c) The mortgage receivable issued during January 2025 to Ten99 Broadview LP (a limited partnership under common management) at an interest rate of prime plus 2.00%. The loan is disbursed for a period of 15 months. The prime rate at March 31, 2025 was 4.95%.

8. Mortgages receivable (continued)

Mortgages receivable are assessed at each reporting date to determine whether there is objective evidence of impairment. A mortgage or loan investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on these estimated future cash flows of that asset that can be estimated reliably. For the three months period ended March 31, 2025 there were no provisions for mortgage investment losses. The fair value of the mortgages receivable are estimated to approximate its carrying value due to their short nature (Note 3).

9. Promissory note receivable

The promissory note receivable which bears interest at a rate of prime plus 10% (15.45% as at March 31, 2025) and is due on demand and management is actively pursuing payment. The promissory note is secured by a general security agreement. The amount was assessed at March 31, 2025, to determine whether there is objective evidence of impairment. A promissory note receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on these estimated future cash flows of that asset that can be estimated reliably. Due to the secured nature of the promissory note, no loss has been recognized as of March 31, 2025.

10. Mortgages payable

	Payment Type	Interest Rate	Maturity date	**March 31,2025**	Dec 31,2024
a)	Blended	4.43%	April 1, 2027	**6,147,959**	6,189,009
b)	Blended	6.61%	Oct 1, 2028	**2,361,624**	2,368,655
				8,509,583	8,557,664
Less: Deferred financing charges				**(97,331)**	(107,961)
				$ 8,412,252	$ 8,449,703

Expected future principal repayments are as follows:

Period ended Mar 31, 2026	$ 198,068
Period ended Mar 31, 2027	207,597
Period ended Mar 31, 2028	5,836,228
Period ended Mar 31, 2029	2,267,690
	$ 8,509,583

a) The first mortgage payable is also with First National Financial LP. The loan bears interest at 4.43% and matures on April 1, 2027. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at March 31, 2025.

b) The second mortgage payable is with also with First National Financial LP. The loan bears interest at 6.61% and matures on October 1, 2028. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at March 31, 2025.

11. Construction loan

The construction loan is with VersaBank and bears interest at a rate of prime plus 1.50% (6.45% as at March 31, 2025) and is due on demand. The mortgage provides for advances of up to $35,250,000 to be advanced in three separate tranches. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at March 31, 2025.

The construction loan is secured by a first collateral mortgage in the amount of $40,000,000 providing the lender a first charge on the property. The Trust has also provided a general security agreement, a general assignment of all other agreements, a general assignment of rents and leases, a priorities agreement with respect to deposit insurer and an assignment of insurance proceeds.

12. Unitholders' equity

In Q1 2025, the Trust issued 278,442 Class A units (2024 – 1,378,957 Class Units) at a price of $10 per unit (2024 - $10 per unit), no Class B units (2024 – 30,270) at a price of $10 per unit (2024 - $10 per unit), 64,947 Class C units (2024 – 141,956) at a price of $10 per unit (2024 - $10 per unit) and no Class F units (2024 – 6,692 Class F units) at a price of $10 per unit (2024 - $10 per unit), resulting in net proceeds of $3,431,185 (2024 - $15,578,709). Furthermore, a cumulative total of 74,432 units (2024 – 240,059 units) were issued through the Trust's Dividend Reinvestment Plan ("DRIP") and 38,850 units (2024 – 242,459 units) were redeemed.

(i) Class A Trust Units

The Trust is authorized to issue an unlimited number of Class A Trust units.

(ii) Class B Trust Units

The Trust is authorized to issue an unlimited number of Class B Trust units.

(iii) Class C Trust Units

The Trust is authorized to issue an unlimited number of Class C Trust units.

(iv) Class F Trust Units

The Trust is authorized to issue an unlimited number of Class F Trust units.

(v) Class I Trust Units

The Trust is authorized to issue an unlimited number of Class I Trust units. As of March 31, 2025 no Class I Trust units have been issued.

12. Unitholders' equity (continued)

(a) Units outstanding

Class A Trust Units	Number	Amount
Balance, January 1, 2024	**2,931,344**	**$ 25,706,838**
Issuance of units	1,378,957	$ 13,789,538
Issuance of units through distribution reinvestment plan	193,293	1,894,275
Redemption of units	(171,342)	(1,713,419)
Issuance costs	-	(1,321,124)
Balance, December 31, 2024	**4,332,252**	**$ 38,356,108**
Issuance of units	278,442	$ 2,781,717
Issuance of units through distribution reinvestment plan	59,871	586,735
Redemption of units	(35,863)	(358,629)
Issuance costs	-	(261,769)
Balance, March 31, 2025	**4,634,702**	**$ 41,104,162**

Class B Trust Units	Number	Amount
Balance, January 1, 2024	**353,655**	**$ 3,210,993**
Issuance of units	30,270	302,696
Issuance of units through distribution reinvestment plan	19,552	191,608
Redemption of units	(7,763)	(77,625)
Issuance costs		(29,000)
Balance, December 31, 2024	**395,714**	**$ 3,598,672**
Issuance of units	-	$ -
Issuance of units through distribution reinvestment plan	5,276	51,708
Issuance costs	-	-
Balance, March 31, 2025	**400,990**	**$ 3,650,380**

Class C Trust Units	Number	Amount
Balance, January 1, 2024	**174,608**	**$ 1,586,190**
Issuance of units	141,956	1,419,561
Issuance of units through distribution reinvestment plan	13,737	134,619
Redemption of units	(1,500)	(15,000)
Issuance costs	-	(136,003)
Balance, December 31, 2024	**328,801**	**$ 2,989,367**
Issuance of units	64,947	$ 649,468
Issuance of units through distribution reinvestment plan	4,980	48,806
Issuance costs	-	(61,117)
Balance, March 31, 2025	**398,728**	**$ 3,626,524**

12. Unitholders' equity (continued)

(a) Units outstanding (continued)

Class F Trust Units	Number		Amount
Balance, January 1, 2024	**370,775**	**$**	**3,154,986**
Issuance of units	6,692	$	66,914
Issuance of units through distribution reinvestment plan	13,477		132,023
Redemption of units	(61,854)		(618,536)
Issuance costs	-		(6,411)
Balance, December 31, 2024	**329,090**	**$**	**2,728,976**
Issuance of units	-	$	-
Issuance of units through distribution reinvestment plan	3,305		32,389
Redemption of units	(2,987)		(29,871)
Issuance costs	-		-
Balance, March 31, 2025	**329,408**	**$**	**2,731,494**
Total units outstanding, March 31, 2025	**5,763,828**	**$**	**51,112,560**
Total units outstanding, December 31, 2024	5,385,857	$	47,673,123

13. Asset management agreement

Equiton Partners Inc. (the "Manager") is entitled to the following fees pursuant to the Asset Management Agreement:

(i) Asset management fee

The asset management fee is charged at 1.0% annually with respect to the net asset value of Equiton Real Estate Income and Development Fund Trust and Equiton Real Estate Income and Development Fund LP , as determined by its Board of Trustees, 1.0% annually with respect to the gross asset value of the assets in the Equiton Real Estate Financial LP, and 3.0% annually with respect to the gross asset value of Equiton Real Estate Development Fund LP. The asset management fee is calculated and charged monthly. The asset management fee is recorded in the statement of loss and comprehensive loss. During the three-months period, the asset management fee charged and recorded in the consolidated statement of income (loss) and comprehensive income (loss) is $229,644 (March 31, 2024 - $162,991).

(ii) Participation fees

During the term of the Asset Management Agreement, the Manager shall be entitled to a 20% fee based on the net income earned by the Equiton Real Estate Financial LP in connection with its mortgages receivable. During the three-months period, the participation recorded in the consolidated statement of income and comprehensive income is $14,435 (March 31, 2024 - $nil).

13. Asset management agreement (continued)

(iii) Origination fees

In addition, during the term, the Manager shall be entitled to a fee equal to 3.0% of the total expenditures made in respect of each development project by Equiton Real Estate Development Fund LP, which shall be calculated and payable monthly. During the three-months period, the origination fee recorded in the consolidated statement of income and comprehensive income is $nil (March 31, 2024 - $1,042).

(iv) Transaction fees

During the term, the Manager shall be entitled to a transaction fee equal to 1.0% of the purchase price with respect to each property acquired or sold by Equiton Commercial Real Estate Fund Limited Partnership. During the year, the transaction fee recorded in the consolidated statement of financial position as Investments is $nil (March 31, 2024 – $nil).

(v) Financing fee

Lastly, during the term, the Manager shall be entitled to a financing fee is charged at 1.00% of the loan amount with respect to each senior or first ranking financing transaction, at 0.50% of the loan amount with respect to each refinancing transaction and at 1.5% of the loan amount with respect to each mezzanine or non-first ranking financing transaction in connection with any mortgage payable secured by Equiton Commercial Real Estate Fund Limited Partnership. During the year, the financing fee recorded in the consolidated statement of financial position as deferred financing fee is $nil (March 31, 2024 – $nil).

14. Changes in non-cash operating items

The total managed capital for the Trust is summarized below:

	Mar 31, 2025	Mar 31, 2024
Accounts receivable	**$ (29,279)**	$ (15,394)
Due from/to related parties	**50,330**	(355,781)
Promissory note receivable	**31,884**	(11,960)
Security deposit	**-**	65,029
Unit subscriptions held in trust	**5,000**	81,671
Payables and accruals	**(2,882,560)**	986,538
Customer deposits	**1,884,235**	1,124,322
Prepaids	**253,761**	23,332
	$ (686,629)	$ 1,897,757

15. Commitments

The Trust has entered into contracts to complete the real estate inventory under development of $1,744,628 (December 31, 2024 - $2,066,449). These amounts will be financed through the construction loan outlined in Note 11.

16. Management of capital

The Trust defines capital that it manages as the aggregate of net assets attributable to unitholders and interest-bearing debt less cash. The Trust's objective when managing capital is to ensure that the Trust will continue as a going concern so that it can sustain daily operations. The Trust's primary objective is to ensure that it has sufficient cash resources to indirectly invest in real estate assets in order to provide adequate returns in the form of dividends to its unitholders. To secure the additional capital necessary to pursue these plans, the Trust may attempt to raise additional funds through the issuance of additional trust units.

The Trust is subject to risks associated with debt financing, including the possibility that existing mortgages may not be refinanced or may not be refinanced on favourable terms or with interest rates as favourable as those of the existing debt. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The total managed capital for the Trust is summarized below:

	Mar 31, 2025	Dec 31, 2024
Mortgage payable	**$ 8,412,252**	$ 8,449,703
Construction loan	**28,684,430**	27,932,928
Cash and restricted cash	**(8,071,101)**	(6,955,410)
Net debt	**29,025,581**	29,427,221
Net assets attributable to unitholders	**40,130,812**	37,279,505
	$ 69,156,393	$ 66,706,726

17. Financial instruments and risk management

Risks associated with financial assets and liabilities

Financial risks arise from financial instruments to which the Trust is exposed during or at the end of the reporting period. Financial risks comprise market risk, credit risk and liquidity risk. Management identifies, evaluates and monitors these risks throughout the year.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices due to currency risk, price risk and interest rate risk. Due to the nature of the Trust's financial instruments, it has no exposure to currency or price risk.

Interest rate risk

The Trust is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Trust's interest-bearing financial instruments, the agreements for all mortgages held by the Trust stipulate a fixed rate of interest. Accordingly, the Trust would be subject to limited exposure to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

17. Financial instruments and risk management (continued)

(i) Market risk (continued)

However, as of March 31, 2025, the Trust holds a variable interest-bearing mortgage receivable of $5,200,000. The interest on this mortgage is calculated at Prime plus 1.5%,. Given the variable nature of this financial asset, the Trust is subject to a cash flow interest rate risk. A 100 basis point (1.00%) increase or decrease in the Prime rate would impact annual interest income increase or decrease by $52,000. The Trust actively monitors market interest rate movements and may implement risk mitigation strategies where necessary to manage exposure to interest rate fluctuations. The fair values of the mortgages are disclosed in Note 3.

(ii) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Trust, resulting in a financial loss to the Trust. This risk arises principally from the mortgage receivable held, and from cash and accounts receivable. For risk management reporting purposes, the Trust considers and consolidates all elements of credit risk exposure (such as loan-to-value, sector risk, location risk, and individual obligor default risk).

The Trust’s policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out by the Trust’s investment committee.

Credit risk is monitored on an on-going basis by the Trust in accordance with policies and procedures in place. The Trust’s credit risk is monitored on a quarterly basis by the board of Trustee’s.

The Trust’s maximum credit risk exposure (without taking into account collateral and other credit enhancements) at March 31, 2025 is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

17. Financial instruments and risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust's objective in minimizing liquidity risk is to maintain appropriate levels of leverage on its real estate assets. At March 31, 2025, the Trust was holding cash of $8,071,101 (December 31, 2024 - $6,955,410). The Trust's payables are payable on demand and one of the mortgages payable's maturity is due on demand as described in Note 11.

March 31, 2025	**On Demand**	**1 Year**	**2-5 Years**	**>5Years**
Payables and accruals	$ -	$ 1,463,491	$ -	$ -
Customer deposits	-	4,777,215	-	-
Security deposit	-	70,108	-	-
Construction loan	28,684,430	-	-	-
Mortgages payable	-	198,068	8,311,515	-
Due to related parties	123,479	-	-	-
Unit subscriptions held in trust	39,975	-	-	-
	$ 28,847,884	$ 6,508,882	$ 8,311,515	$ -

December 31, 2024	**On Demand**	**1 Year**	**2-5 Years**	**>5Years**
Payables and accruals	$ -	$ 4,346,051	$ -	$ -
Customer deposits	-	2,892,980	-	-
Security deposit	-	70,108	-	-
Construction loan	27,932,928	-	-	-
Mortgages payable	-	195,759	8,361,905	-
Due to related parties	73,149	-	-	-
Unit subscriptions held in trust	34,975	-	-	-
	$ 28,041,052	$ 7,504,898	$ 8,361,905	$ -

18. Subsequent events

The Trust evaluated events occurring after the reporting period, in accordance with IFRS. There have been no events between the end of the reporting period and the date when the financial statements were authorized for issue that require disclosure or adjustment in these financial statements.