



Q3 Report  
2025

# EQUITON REAL ESTATE INCOME AND DEVELOPMENT FUND TRUST

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# 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 LEADERSHIP

The Equiton Real Estate Income and Development Fund Trust (the Trust) delivered positive operating income YTD and continued its growth trajectory amid ongoing economic and geopolitical shifts. Notably, the Trust expanded its portfolio in Q3'25 with allocations to Equiton's recently launched private debt fund and a new development initiative.

Assets Under Management (AUM) rose 20.7% Y/Y to \$51.8M supported by growth in the commercial portfolio's existing asset base and the Trust's ongoing investment activity. Class F and Class A DRIP units achieved trailing 12-month total returns of 7.38% and 6.29%, respectively, delivering durable income and long-term capital appreciation.

The Trust's commercial portfolio, anchored by necessity-based and everyday retail establishments, maintained full occupancy during the quarter. In 2025, the addition of a medical services office and the renewal of a major anchor tenant's lease reflect both strong demand for well-located properties and the quality of the Trust's tenant relationships.

The Bank of Canada implemented a 25-basis-point (bps) interest rate cut in September and another in October, bringing its policy rate to 2.25% shortly after the quarter's end. This marks the fourth cut of 2025, which is expected to gradually translate into lower financing costs. This environment generally supports Management's ability to pursue strategic growth opportunities and deliver strong risk-adjusted returns.

The weighted average lease term at quarter end is 6.89 years, with leases containing scheduled rent escalations, supporting long-term income growth. YTD, the portfolio generated \$891,761 in operating revenues and NOI of \$539,441.

Conservatively levered with healthy debt service and interest coverage ratios of 1.27x and 1.85x, respectively, the Trust's portfolio maintained a strong ability to meet debt obligations, reflecting consistent net operating income (NOI) performance and prudent financial management.

During Q3'25, the Trust's lending portfolio, previously totalling \$5.2M, was fully transferred in kind as a seed investment in the Equiton Monthly Income Fund Trust (Monthly Income Fund), a newly launched private debt fund designed to generate regular, income-focused returns. This transaction represents a strategic reallocation of the Trust's assets, enabling participation in a new income-generating platform while enhancing liquidity, diversification, and potential yield.

Despite a moderation in population growth and fewer active buyers, housing demand continues to outpace available supply. Fewer new development projects are now entering the pipeline, with conditions indicating a supply crunch emerging over the next several years. In this environment, disciplined and strategically positioned developers may benefit from bringing well-designed condos to market as buyers' purchasing power gradually improves.

Aligned with this outlook, the Trust acquired an interest in Wilson Station Condos Trust, established to develop a mid-rise, transit-oriented condominium project near Wilson Station in Toronto.



Helen Hurlbut • President and CFO/Co-Founder

The development is planned to deliver approximately 300 residential units with occupancy expected in Q4'29, a period when supply pressures are expected to persist. The project's long-term value potential is supported by strong demand for well-located, transit-accessible housing.

The Trust's development pipeline currently spans four other projects, one of which, Marquis Modern Towns (708 Woolwich Street, Guelph, ON), is held entirely within the Trust. As of Q3'25, Condominium Registration is completed, and sales efforts continue to advance, supported by targeted marketing initiatives with a focus on offering competitive incentives and showcasing local amenities and investor opportunities.

In Toronto, the Trust's other active developments continue to progress as planned. At Sandstones Condo, suite designs were finalized to align with market demand. Design considerations

progressed at TEN99 Broadview, including work on suite layouts and exterior/interior design elements. Expected to be the first MAXIUM brand development to break ground, Vicinity Condos at 875 The Queensway was awarded two Building Industry and Land Development Association (BILD) Awards — Best Mid-Rise Development Design and Best Marketing Campaign — and was recognized by the Ontario Home Builders' Association (OHBA) with two additional awards for its marketing.

Management continues to execute with discipline while advancing initiatives designed to support long-term value creation for Investors. This was reflected in the quarter by the continued resilience of the commercial portfolio and the addition of two new and exciting investments.

**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 to support them in their wealth building journey.

# OPERATING HIGHLIGHTS

## Summary of Key Performance Indicators (KPIs)

As at September 30,	Q3 2025	Q3 2024
<b>Portfolio Performance</b>		
Total Fund AUM (\$ Millions)	\$51.8	\$42.9
<b>Commercial Operations</b>		
Weighted Average Occupancy Rate	100.0%	85.5%
Weighted Average Net Retail Rental Rate (\$ per occupied sq. ft.)	\$32.96	\$32.88
Operating Revenues	\$891,761	\$910,981
NOI	\$539,441	\$553,201
NOI Margin	60.5%	60.7%
Mortgage Debt to Gross Book Value	53.0%	59.1%
Weighted Average Time Remaining on the Mortgage (years)	1.92	2.91
Debt Service Coverage (times) <sup>1</sup>	1.27	1.28
Interest Coverage (times) <sup>1</sup>	1.85	1.83
Weighted Average Lease Term to Maturity (years)	6.89	6.03
Gross Leasable Area (sq. ft.)	26,159	26,159
Occupied Area (sq. ft.)	26,159	22,359
Vacant Area (sq. ft.)	-	3,800
<b>Financial Lending Operations<sup>2</sup></b>		
Loan(s) Receivable	\$-	\$5,250,000
Weighted Average Interest Rate <sup>3</sup>	-%	8.16%
Weighted Average Time Remaining to Maturity (months)	-	15
Number of Loans	-	2
<b>Development Operations</b>		
Active Development Projects	1	1
Equity Investment in Development	\$9,081,123	\$9,081,123
Total Development Cost Incurred to Date	\$20,322,461	\$37,051,909

<sup>1</sup> Debt Service Coverage includes executed new tenancy at Hyde Park Commons.

<sup>2</sup> During the period ended September 30, 2025, the Trust's Financial Lending portfolio previously totaling \$5.2M was fully transferred in kind as a seed investment in the Equiton Monthly Income Fund Trust, in return for Class E Units.

<sup>3</sup> Interest rate at period end is variable in nature and subject to change.

# OPERATING HIGHLIGHTS

## Assets Under Management (AUM)

	Q3 2025	Q3 2024
<b>Commercial Operations</b>		
Investment in Hyde Park Commons <sup>1</sup>	11,383,239	10,200,000
Investment in 710 Woolwich	4,500,000	4,359,382
Cash	51,199	188,062
<b>Commercial Operations</b>	<b>\$15,934,438</b>	<b>\$14,747,444</b>
<b>Financial Lending Operations</b>		
Loans Receivable <sup>2</sup>	-	5,250,000
Cash	264,863	71,555
<b>Financial Lending Operations</b>	<b>\$264,863</b>	<b>\$5,321,555</b>
<b>Inter-Fund Investment</b>		
Investment in Equiton Monthly Income Fund Trust <sup>2</sup>	5,200,000	-
<b>Inter-Fund Investment</b>	<b>\$5,200,000</b>	<b>\$-</b>
<b>Development Operations</b>		
Cash Investment in Woolwich Development Project	10,648,041	10,222,273
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	3,200,000
Investment in Wilson Station Condos	1,800,000	-
Cash	242	294,333
<b>Development Operations</b>	<b>\$22,348,283</b>	<b>\$20,416,606</b>
<b>Cash - Corporate</b>	<b>\$8,019,485</b>	<b>\$2,391,794</b>
<b>AUM (\$)<sup>3</sup></b>	<b>\$51,767,069</b>	<b>\$42,877,399</b>

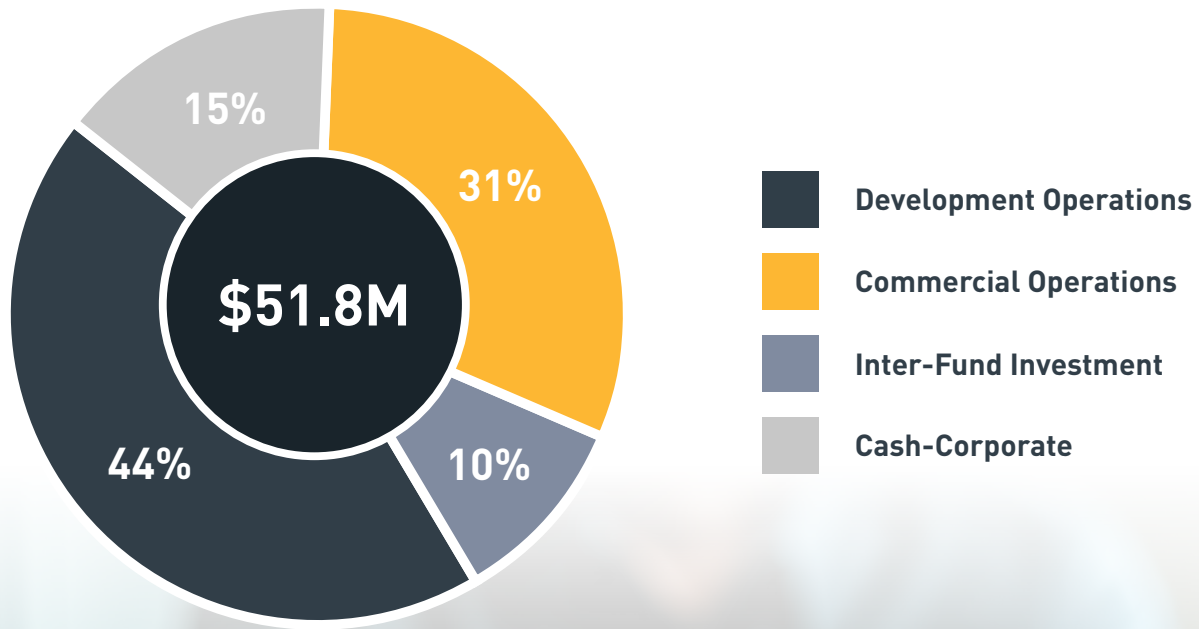
<sup>1</sup> The fair value of the investment property located at Hyde Park in London, Ontario includes capital expense of \$383,239.

<sup>2</sup> During the period ended September 30, 2025, the Trust's Financial Lending portfolio previously totalling \$5.2M was fully transferred in-kind as a seed investment in the Equiton Monthly Income Fund Trust, in return for Class E Units.

<sup>3</sup> 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.

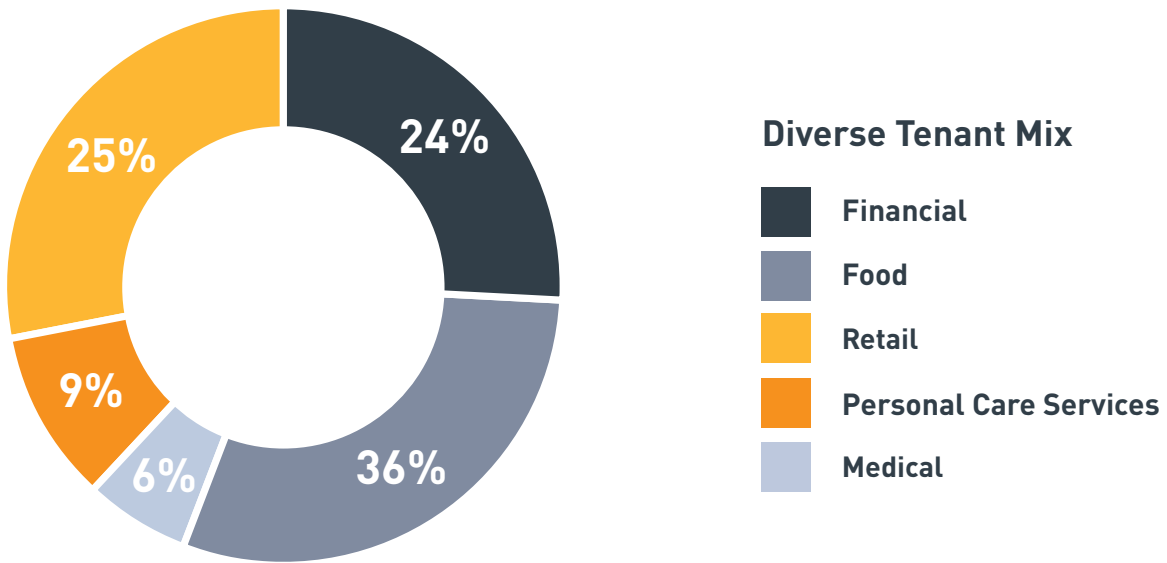
# OPERATING HIGHLIGHTS

## Assets Under Management (AUM)



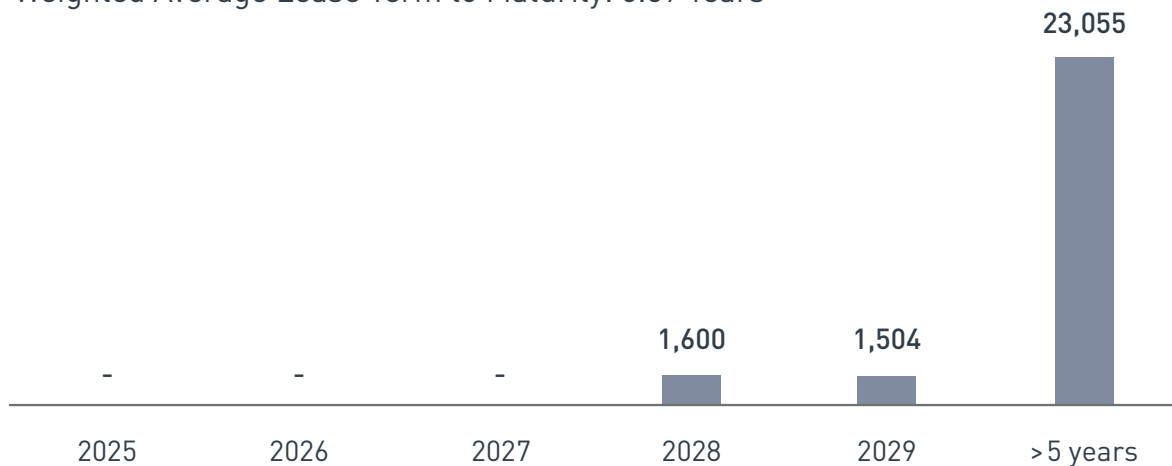
# INCOME-PRODUCING COMMERCIAL TENANT PORTFOLIO

## Commercial Tenant Occupancy - By Area



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

Weighted Average Lease Term to Maturity: 6.89 Years





# ACQUISITIONS AND DISPOSITIONS

## ACQUISITIONS:

### Equiton Monthly Income Fund Trust

Acquired: September 2025



The Trust completed an in-kind transfer of \$5.2M in loans, previously held through its financial lending operations, as a seed investment in the newly established Equiton Monthly Income Fund Trust. The Monthly Income Fund is a debt vehicle designed to provide Investors with regular monthly distributions from a diversified portfolio of short-term, real estate-backed loans. This in-kind transaction represents a strategic reallocation of the Trust's assets, enabling participation in a new income-generating platform while preserving the performance of the underlying loans and enhancing liquidity, diversification, and potential yield.

### Wilson Station Condos Trust

Acquired: September 2025



Artist Concept

The Trust acquired Trust Units in Wilson Station Condos Trust, a vehicle established to develop an approximately 14-storey, mid-rise condominium project comprising approximately 300 residential units. The development is strategically located near Wilson Station, offering excellent access to public transit, major highways, and key amenities. Occupancy is anticipated in Q4'29, with the project expected to deliver strong long-term value through a combination of strategic location, quality design, and robust demand for transit-oriented housing in the Greater Toronto Area.

## 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, medical, and dining options.





## 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 continued to perform well this quarter, maintaining 100% occupancy. During the nine months ended September 30, 2025, the Trust renewed the CIBC lease at Hyde Park Commons, reinforcing the stability and predictability of income from the commercial portfolio. In addition, a medical services tenant was added to the property during the period, further diversifying the asset's tenant base. Operating revenues totalled \$891,761, supported by a weighted average net retail rental rate of \$32.96 per occupied square foot. Net operating income (NOI) was \$539,441, representing an NOI margin of 60.5%, reflecting disciplined asset management and consistent income generation.

On the financing side, the portfolio maintains a mortgage debt-to-gross book value ratio of 53.0%, indicating balanced leverage and a sound capital position. With a weighted average remaining mortgage term of 1.92 years, the portfolio maintains flexibility to manage upcoming debt maturities and align refinancing decisions in line with the Trust's broader capital management strategy. Debt service coverage and interest coverage ratios of 1.27x and 1.85x, respectively, continue to demonstrate the Trust's strong debt-servicing capacity. The weighted average lease term of 6.89 years reinforces the portfolio's long-term income stability, providing sustained cash flow visibility and supporting overall performance.



# INTER-FUND INVESTMENT

## Monthly Income Fund

In September 2025, the Trust completed an in-kind transfer of \$5.2M in loans, previously held through its financial lending operations, for a seed investment in the newly established Equiton Monthly Income Fund Trust (Monthly Income Fund).

The Fund is designed to deliver stable and recurring monthly income stream generated from interest on short-term, secured real estate-backed investments. Its objective is to maximize investor value through consistent monthly cash distributions. The Monthly Income Fund will invest in a diversified portfolio of short-term loans to qualified individuals and businesses active in the real estate sector, including residential and commercial mortgages, land financing, development, construction loans, as well as other forms of secured real estate debt.

## Monthly Income Fund Highlights

As at September 30, 2025

Fund AUM:  
**\$5.2M**

Unit Price:  
**\$10.00**



## 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 spacious 2-bedroom, 2-bathroom stacked condominium townhomes spread across four community buildings. Nestled amidst natural surroundings, Marquis Modern Towns is tucked behind Woodlawn Memorial Park and opposite Riverside Park, offering residents a serene and picturesque environment near the Speed River. Upon completion, this development is expected to yield a special distribution to Investors in the Trust.

#### Q3 Highlights:

- Condominium Registration is now complete.
- Purchaser closings began mid-September, with most completed by quarter-end.
- Four broker and public engagement marketing campaigns were launched.
- Generated further marketing and sales momentum through the Toronto New Home & Condo Expo.
- Nearly 70% of units sold.

The project reached several major milestones this quarter. All Draft Plan of Condominium conditions were satisfied, and following City approval of final drawings and inspections, the Land Registry Office confirmed that the Condominium Registration is complete. Final Closings began on September 15, with most purchasers expected to close shortly.

Sales and marketing activity remained strong throughout the summer. In July, the Mortgage Buy-Down Program launched with a competitive interest rate and was introduced through an exclusive broker event and through targeted weekend open houses. In August, the program expanded to the broader public and broker engagement continued with two agent bus tours showcasing Guelph's lifestyle and investment advantages. The Back-to-School Program was also introduced, featuring "One Price First" suites.

Momentum carried into September, with participation in the Toronto New Home & Condo Expo driving greater market exposure and producing new qualified leads for the sales team.

As of the end of the quarter, nearly 70% of suites were sold and ~60% of closings were completed. Marketing and sales initiatives will remain active in the months ahead, with a continued focus on driving momentum and achieving full sellout.

# ACTIVE DEVELOPMENT PROJECTS



The Trust is also invested in the following development projects:



Artist Concept

## **Vicinity Condos Trust**

875 The Queensway, Toronto, ON



Artist Concept

## **Sandstones Condo Trust**

2257 Kingston Road, Toronto, ON



Artist Concept

## **TEN99 Broadview Trust**

1099 Broadview Avenue, Toronto, ON



Artist Concept

## **Wilson Station Condos Trust**

1099 Broadview Avenue, Toronto, ON



# 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.

# Interim Consolidated Financial Statements

## Equiton Real Estate Income and Development Fund Trust (Unaudited)

For the nine-month period ended September 30,  
2025

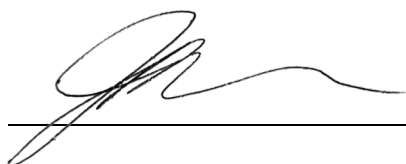
## Equiton Real Estate Income and Development Fund Trust

### Interim Consolidated Statements of Financial Position

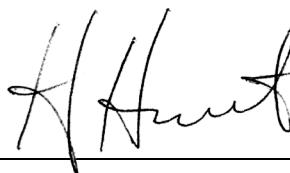
As at	Sep 30, 2025	Dec 31, 2024
<b>Assets</b>		
Cash	\$ 10,884,921	\$ 6,920,435
Restricted cash	314,975	34,975
Accounts receivable	176,958	58,829
Prepaid expenses	268,652	657,074
Investment properties (Note 4)	15,883,239	15,872,467
Real estate inventory under development (Note 5)	20,322,461	40,922,128
Due from related parties (Note 6)	15,020	15,020
Promissory note receivable (Note 9)	2,265,193	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
Investment in Wilson Station Condos Trust (Note 7)	1,800,000	-
Investment in Equiton Monthly Income Fund Trust (Note 7)	5,200,000	-
Other assets	51,932	264,513
Mortgage receivable (Note 8)	-	4,148,000
Property and equipment	-	41,968
<b>Total assets</b>	<b>\$ 67,083,351</b>	<b>\$ 81,079,399</b>
<b>Liabilities</b>		
Payables and accruals	\$ 4,671,511	\$ 4,346,051
Customer deposits	697,468	2,892,980
Unit subscriptions held in trust	314,975	34,975
Security deposit	84,233	70,108
Due to related parties (Note 6)	233,385	73,149
Mortgages payable (Note 10)	8,335,994	8,449,703
Construction loan (Note 11)	6,292,288	27,932,928
<b>Liabilities excluding net assets attributable to unitholders</b>	<b>20,629,854</b>	<b>43,799,894</b>
<b>Net assets attributable to unitholders</b>	<b>46,453,497</b>	<b>37,279,505</b>
<b>Total liabilities and net assets attributable to unitholders</b>	<b>\$ 67,083,351</b>	<b>\$ 81,079,399</b>

Commitments (Note 15)

Approved on behalf of the Trust



Trustee



Trustee

See accompanying notes to the interim consolidated financial statements.

## Equiton Real Estate Income and Development Fund Trust

### Interim Consolidated Statements of Income and Comprehensive Income

Nine-month period ended September 30	2025	2024
<b>Revenue</b>		
Sales income	\$ 26,174,388	\$ -
Occupancy revenue	1,727,521	-
Rental income	891,762	910,981
Interest income	443,146	287,144
Other income	<u>107,377</u>	<u>59,742</u>
	<b><u>\$ 29,344,194</u></b>	<b><u>\$ 1,257,867</u></b>
<b>Expenses</b>		
Cost of goods sold	\$ 23,168,188	\$ -
Property operating expenses	901,589	506,400
Asset managements fees (Note 13)	725,521	536,307
Interest and finance costs	363,993	370,798
Selling and marketing	251,688	50,072
General and administrative	170,320	80,446
Professional fees	147,135	151,361
Participation fees (Note 13)	49,643	21,500
Depreciation of property plant & equipment	41,968	-
Dues and subscriptions	21,388	21,983
Bank fees	7,728	6,833
Origination fees (Note 13)	<u>-</u>	<u>1,042</u>
	<b><u>\$ 25,849,161</u></b>	<b><u>\$ 1,746,742</u></b>
<b>Net Income (loss) and comprehensive income (loss)</b>	<b><u>\$ 3,495,033</u></b>	<b><u>\$ (488,875)</u></b>

See accompanying notes to the interim consolidated financial statements.

## Equiton Real Estate Income and Development Fund Trust

### Interim Consolidated Statements of Changes in Net Assets Attributable to Unitholders

For the nine-month period ended September 30, 2025

	<u>Net Assets Attributable to Unitholders</u>
<b>Net assets attributable to Unitholders, January 1, 2024</b>	<b>\$ 25,516,052</b>
Issuance of Class A Trust units (Note 12)	11,208,237
Redemptions of Class A Trust units (Note 12)	(966,516)
Issuance of Class F Trust units (Note 12)	166,346
Redemptions of Class F Trust units (Note 12)	(596,637)
Issuance of Class B Trust units (Note 12)	437,982
Redemptions of Class B Trust units (Note 12)	(77,625)
Issuance of Class C Trust units (Note 12)	1,434,304
Redemptions of Class C Trust units (Note 12)	(15,000)
Issuance costs (Note 12)	(947,991)
Distributions to unitholders	(1,949,637)
Net income and comprehensive loss	<u>(488,875)</u>
<b>Net assets attributable to Unitholders, September 30, 2024</b>	<b><u>\$ 33,720,640</u></b>
<hr/>	
<b>Net assets attributable to Unitholders, January 1, 2025</b>	<b>\$ 37,279,505</b>
Issuance of Class A Trust units (Note 12)	8,458,860
Redemptions of Class A Trust units (Note 12)	(1,036,488)
Issuance of Class F Trust units (Note 12)	93,874
Redemptions of Class F (Note 12)	(218,053)
Issuance of Class B Trust units (Note 12)	160,038
Redemptions of Class B (Note 12)	(14,954)
Issuance of Class C Trust units (Note 12)	1,789,478
Redemptions of Class C (Note 12)	(30,000)
Issuance costs (Note 12)	(848,457)
Distributions to unitholders	(2,675,339)
Net income and comprehensive income	<u>3,495,033</u>
<b>Net assets attributable to Unitholders, September 30, 2025</b>	<b><u>\$ 46,453,497</u></b>

See accompanying notes to the interim consolidated financial statements.

## Equiton Real Estate Income and Development Fund Trust

### Interim Consolidated Statements of Cash Flows

Sep 30, 2025

Sep 30, 2024

Increase (decrease) in cash

#### Operating activities

Net income (loss)	\$ 3,495,033	\$ (488,875)
Items not affecting cash:		
Interest and finance costs	363,993	370,798
Amortization of property and equipment	41,968	-
Changes in non-cash operating items (Note 14)	<u>(954,020)</u>	<u>1,821,772</u>
Cash (used in) provided by operating activities	<u>2,946,974</u>	<u>1,703,695</u>

#### Financing activities

Proceeds from issuance of units	8,178,694	11,575,453
Redemption of units	(1,299,495)	(1,655,778)
Distributions	(351,783)	(278,221)
Issuance costs	(848,457)	(947,991)
Interest and financing payments	(383,749)	(338,435)
Proceeds from (repayment of) mortgage payable	<u>(21,786,593)</u>	<u>19,846,696</u>
Cash provided by financing activities	<u>(16,491,383)</u>	<u>28,201,724</u>

#### Investing activities

(Issuance of) proceeds from mortgage receivable, net	(1,000,000)	(5,171,500)
Purchase of investments	(1,800,000)	(3,200,000)
Purchase of investment property	(10,772)	(1,176)
Real estate inventory development costs	<u>20,599,667</u>	<u>(24,558,803)</u>
Cash used in investing activities	<u>17,788,895</u>	<u>(32,931,479)</u>

Net increase (decrease) in cash during the period	4,244,486	(3,026,060)
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Cash, beginning of the period	<u>6,955,410</u>	<u>6,339,660</u>
Cash, end of period	<u>\$ 11,199,896</u>	<u>\$ 3,313,600</u>

#### Cash presented as:

Cash	\$ 10,884,921	\$ 3,282,305
Restricted cash	314,975	31,295

See accompanying notes to the interim consolidated financial statements.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 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 Apr 30, 2018 under the laws of the Province of Ontario.

As at September 30, 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 September 30, 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.

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### 2. General information and statement of compliance with IFRS

The interim 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 interim 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 interim consolidated financial statements were approved and authorized for issue by the Trust on November 13, 2025.

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### 3. Summary of significant accounting policies

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

#### Principles of consolidation

The interim 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 interim consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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 interim 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 interim 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:

Entity	Direct ownership interest at	
	Sep 30, 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 LP	99.999%	99.999%
Equiton Real Estate Development Fund LP	99.999%	99.999%

These interim 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 Condos 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 includes 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 includes 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 3. Summary of significant accounting policies (continued)

#### Investment property (continued)

Changes in fair value are recognized in the interim consolidated 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 pre-development 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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 and due from related parties. 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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, 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 3. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

##### (iii) Fair value (continued)

The fair value of cash, restricted cash, accounts 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 September 30, 2025 and December 31, 2024 of the investment in Sandstones Condo Trust, Vicinity Condos Trust, Ten99 Broadview Trust, Wilson Station Condos Trust, Equiton Monthly Income Fund Trust, investment properties, and mortgages payable before deferred financing costs are estimated at:

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
Investment in Sandstones Condo Trust	4,300,000	4,300,000
Investment in Vicinity Condos Trust	2,400,000	2,400,000
Investment in Ten99 Broadview Trust	3,200,000	3,200,000
Investment in Wilson Station Condos Trust	1,800,000	-
Investment in Equiton Monthly Income Fund Trust	5,200,000	-
Mortgages payable and construction loan	14,614,588	36,436,311

These are compared with the carrying value of:

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
Investment in Sandstones Condo Trust	4,300,000	4,300,000
Investment in Vicinity Condos Trust	2,400,000	2,400,000
Investment in Ten99 Broadview Trust	3,200,000	3,200,000
Investment in Wilson Station Condos Trust	1,800,000	-
Investment in Equiton Monthly Income Fund Trust	5,200,000	-
Mortgages payable and construction loan	14,628,282	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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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 interim 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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 Jan 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.



# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 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 nine-months period ended at September 30, 2025, the Trust incurred agency fees with the Agent related to the issuance of Trust Units in the amount of \$ 848,457 (September 30, 2024 - \$ 947,991), which are included in issuance costs in the interim consolidated statements of changes of net assets attributable to unitholders.

#### Due from related parties

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
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)	<u>5,200</u>	<u>5,200</u>
	<u>\$ 15,020</u>	<u>\$ 15,020</u>

#### Due to related parties

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
Due to Equiton Partners Inc. (a related party being the asset manager of the limited partnerships)	\$ 226,953	\$ 58,880
Due to Equiton Capital Inc. (a related party through shared management)	<u>6,432</u>	<u>14,269</u>
	<u>\$ 233,385</u>	<u>\$ 73,149</u>

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

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 7. Investment in Sandstones Condo Trust, Vicinity Condos Trust, Ten99 Broadview Trust, Wilson Station Condos Trust and Equiton Monthly Income Fund Trust

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 September 30, 2025

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 September 30, 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 September 30, 2025

On September 4, 2025, the Partnership purchased 180,000 Class B units of Wilson Station Condos Trust for \$1,800,000. Wilson Station Condos Trust is a related party through common management, controls a limited partnership that is developing a multi-residential property located at 11 Vinci Crescent, Toronto, Ontario. The investment in Wilson Station Condos Trust is recorded at its fair market value which approximates the carrying value as at September 30, 2025.

On September 30, 2025, the Partnership acquired 520,000 Class E units of Equiton Monthly Income Fund Trust ('EMIFT') in exchange for mortgage receivables previously held by the Trust (Note 8). EMIFT is a related party through common management which controls a limited partnership that helps the investors in generating consistent returns over the long-term loan assets. This transaction was recorded as the amount of consideration exchanged by the related parties which approximated the fair value of the mortgage receivable

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### 8. Mortgages receivable

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
Mortgages receivable	\$ -	\$ 4,200,000
Less: Deferred financing charges	-	(52,000)
	<u>\$ -</u>	<u>\$ 4,148,000</u>

On September 30, 2025, the mortgage receivables previously held by the Trust, with individual values ranging from \$1,000,000 to \$3,000,000, was transferred to the EMIFT (Note 7). The total value of the mortgage receivable assets amounted to \$5,200,000 and the Trust received 520,000 units of EMIFT as consideration.

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# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 9. Promissory note receivable

The promissory note receivable which bears interest at a rate of prime plus 10% (14.70% as at September 30, 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 September 30, 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 September 30, 2025.

### 10. Mortgages payable

	Payment Type	Interest Rate	Maturity date	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
a)	Blended	4.43%	April 1, 2027	<b>6,064,498</b>	6,189,009
b)	Blended	6.61%	Oct 1, 2028	<b>2,347,212</b>	2,368,655
				<b>8,411,710</b>	8,557,664
Less: Deferred financing charges				<b>(75,716)</b>	(107,961)
				<b>\$ 8,335,994</b>	<b>\$ 8,449,703</b>

Expected future principal repayments are as follows:

Period ended Sep 30, 2026	\$ 202,775
Period ended Sep 30, 2027	5,924,291
Period ended Sep 30, 2028	34,471
Thereafter	<u>2,250,173</u>
	<b>\$ 8,411,710</b>

- a) The first mortgage payable is also with First National Financial LP. The loan bears interest at 4.43% and matures on Apr 1, 2027. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at September 30, 2025.
- b) The second mortgage payable is with also with First National Financial LP. The loan bears interest at 6.61% and matures on Oct 1, 2028. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at September 30, 2025.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 11. Construction loan

The construction loan is with VersaBank and bears interest at a rate of prime plus 1.50% (6.20% as at September 30, 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 September 30, 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.

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### 12. Unitholders' equity

In Q3 2025, the Trust issued 657,071 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), 161,067 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 \$8,178,694 (2024 - \$15,578,709). Furthermore, a cumulative total of 237,097 units (2024 – 240,059 units) were issued through the Trust's Dividend Reinvestment Plan ("DRIP") and 129,949 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 Sep 30, 2025 no Class I Trust units have been issued.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 12. Unitholders' equity (continued)

#### (a) Units outstanding

Class A Trust Units	Number	Amount
<b>Balance, January 1, 2024</b>	<b>2,931,344</b>	<b>\$ 25,706,838</b>
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)
<b>Balance, December 31, 2024</b>	<b>4,332,252</b>	<b>\$ 38,356,108</b>
Issuance of units	657,071	\$ 6,568,029
Issuance of units through distribution reinvestment plan	192,942	1,890,831
Redemption of units	(103,649)	(1,036,488)
Issuance costs	-	(681,367)
<b>Balance, September 30, 2025</b>	<b>5,078,616</b>	<b>\$ 45,097,113</b>
<b>Class B Trust Units</b>	<b>Number</b>	<b>Amount</b>
<b>Balance, January 1, 2024</b>	<b>353,655</b>	<b>\$ 3,210,993</b>
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)
<b>Balance, December 31, 2024</b>	<b>395,714</b>	<b>\$ 3,598,672</b>
Issuance of units	-	\$ -
Issuance of units through distribution reinvestment plan	16,330	160,038
Redemption of units	(1,495)	(14,954)
Issuance costs	-	-
<b>Balance, September 30, 2025</b>	<b>410,549</b>	<b>\$ 3,743,756</b>
<b>Class C Trust Units</b>	<b>Number</b>	<b>Amount</b>
<b>Balance, January 1, 2024</b>	<b>174,608</b>	<b>\$ 1,586,190</b>
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)
<b>Balance, December 31, 2024</b>	<b>328,801</b>	<b>\$ 2,989,367</b>
Issuance of units	161,067	\$ 1,610,665
Issuance of units through distribution reinvestment plan	18,246	178,813
Redemption of units	(3,000)	(30,000)
Issuance costs	-	(167,090)
<b>Balance, September 30, 2025</b>	<b>505,114</b>	<b>\$ 4,581,755</b>

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 12. Unitholders' equity (continued)

#### (a) Units outstanding

Class F Trust Units	Number	Amount
<b>Balance, January 1, 2024</b>	<b>370,775</b>	<b>\$ 3,154,986</b>
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)
<b>Balance, December 31, 2024</b>	<b>329,090</b>	<b>\$ 2,728,976</b>
Issuance of units	-	\$ -
Issuance of units through distribution reinvestment plan	9,579	93,874
Redemption of units	(21,805)	(218,053)
Issuance costs	-	-
<b>Balance, September 30, 2025</b>	<b>316,864</b>	<b>\$ 2,604,797</b>
<b>Total units outstanding, September 30, 2025</b>	<b>6,311,143</b>	<b>\$ 56,027,421</b>
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 nine-months period ended September 30, 2025, the asset management fee charged and recorded in the interim consolidated statement of income (loss) and comprehensive income (loss) is \$725,521 (2024 - \$536,307).

#### (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 nine-months period September 30, 2025, the participation recorded in the interim consolidated statement of income and comprehensive income is \$49,643 (2024 - \$21,500).

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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 nine-months period September 30, 2025, the origination fee recorded in the interim consolidated statement of income and comprehensive income is \$nil (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 nine-months period ended September 30, 2025, the transaction fee recorded in the interim consolidated statement of financial position as Investments is \$nil (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 nine-months period ended September 30, 2025, the financing fee recorded in the interim consolidated statement of financial position as deferred financing fee is \$nil (2024 – \$nil).

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### 14. Changes in non-cash operating items

The total managed capital for the Trust is summarized below:

	<u>Sep 30, 2025</u>	<u>Sep 30, 2024</u>
Accounts receivable	\$ (118,129)	\$ 12,402
Due from/to related parties	160,236	(385,482)
Promissory note receivable	(21,203)	(2,231,411)
HST receivable	212,581	(1,239,134)
Security deposit	14,125	58,362
Unit subscriptions held in trust	280,000	15,991
Payables and accruals	325,460	3,993,577
Customer deposits	(2,195,512)	1,693,320
Prepays	388,422	(95,853)
	<u>\$ (954,020)</u>	<u>\$ 1,821,772</u>

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### 15. Commitments

The Trust has entered into contracts to complete the real estate inventory under development of \$nil (Dec 31, 2024 - \$2,066,449).

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# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 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:

	<u>Sep 30, 2025</u>	<u>Dec 31, 2024</u>
Mortgage payable	\$ 8,335,994	\$ 8,449,703
Construction loan	6,292,288	27,932,928
Cash and restricted cash	<u>(11,199,896)</u>	<u>(6,955,410)</u>
Net debt	3,428,386	29,427,221
Net assets attributable to unitholders	<u>46,453,497</u>	<u>37,279,505</u>
	<u>\$ 49,881,883</u>	<u>\$ 66,706,726</u>

### 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.

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 17. Financial instruments and risk management (continued)

#### (i) Market risk (continued)

#### (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 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 September 30, 2025 is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

#### (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 September 30, 2025, the Trust was holding cash of \$11,199,896 (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.

<b>As at September 30, 2025</b>	<b><u>On Demand</u></b>	<b><u>1 Year</u></b>	<b><u>2-5 Years</u></b>	<b><u>&gt;5 Years</u></b>
Payables and accruals	\$ -	\$ 4,671,511	\$ -	\$ -
Customer deposits	-	697,468	-	-
Security deposit	-	84,233	-	-
Construction loan	6,292,288	-	-	-
Mortgages payable	-	202,775	8,208,935	-
Due to related parties	233,385	-	-	-
Unit subscriptions held in trust	<u>314,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 6,840,648</u></b>	<b><u>\$ 5,655,987</u></b>	<b><u>\$ 8,208,935</u></b>	<b><u>\$ -</u></b>

# Equiton Real Estate Income and Development Fund Trust

## Notes to the Interim Consolidated Financial Statements

For the nine-month period September 30, 2025

### 17. Financial instruments and risk management (continued)

#### (iii) Liquidity risk (continued)

As at December 31, 2024	<u>On Demand</u>	<u>1 Year</u>	<u>2-5 Years</u>	<u>&gt;5 Years</u>
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	<u>34,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 28,041,052</u>	<u>\$ 7,504,898</u>	<u>\$ 8,361,905</u>	<u>\$ -</u>

### 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.