PARKIT ENTERPRISE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS PERIOD ENDED JUNE 30, 2025

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed consolidated interim financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT		June 30, 2025		December 31, 2024
ASSETS				
Investment properties (note 3)	$	238,022,865	$	296,809,161
Parking properties (note 4)		11,695,652		11,822,096
Investments at fair value (note 5)		36,580,646		-
Investment in equity-accounted investees and long-term receivable (note 6)		3,427,608		11,100,043
Prepaid expenses and other assets		2,584,839		1,785,589
Accounts receivable (note 7)		3,655,137		3,663,655
Cash		11,124,522		5,476,859
	$	**307,091,269**	**$**	**330,657,403**
LIABILITIES AND EQUITY				
Liabilities				
Debt (note 8)	$	141,638,995	$	179,099,563
Unrealized fair value of derivative liabilities (note 9)		538,539		1,580,041
Accounts payable and other liabilities (note 10)		7,083,860		6,158,764
		149,261,394		**186,838,368**
Equity (note 11)				
Share capital		160,687,457		164,765,050
Contributed surplus		5,031,280		5,031,280
Deficit		(7,888,862)		(25,977,295)
		157,829,875		**143,819,035**
	$	**307,091,269**	**$**	**330,657,403**

Commitments (note 6)
Subsequent events (note 18)

Approved and authorized by the Board on August 7, 2025:

"Steven Scott" Director   *"Iqbal Khan"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Investment properties revenue	$ 7,750,540	$ 6,332,263	$ 14,871,681	$ 12,390,783
Investment properties expenses	(2,487,027)	(2,075,498)	(4,722,132)	(4,103,602)
Net rental income	**5,263,513**	**4,256,765**	**10,149,549**	**8,287,181**
Parking properties revenue	1,209,801	865,856	2,348,524	1,630,274
Parking properties expenses	(1,192,205)	(646,747)	(2,347,592)	(1,229,734)
Share of (loss) income from equity-accounted investees (note 6)	(7,420,782)	43,634	(7,600,819)	(78,804)
Net parking (loss) income	**$ (7,403,186)**	**$ 262,743**	**$ (7,599,887)**	**$ 321,736**
Other (income) and expenses				
Gain on disposition (note 3)	$ (24,804,916)	$ -	$ (24,804,916)	$ -
Dividend income (note 5)	(241,935)	-	(241,935)	-
General and administrative expenses and other income (note 12)	465,603	632,267	1,139,284	1,283,263
Depreciation (note 3, 4)	2,386,474	2,190,338	4,777,947	4,313,472
Realized and unrealized gain on derivative financial instruments (note 9)	(905,656)	(220,453)	(270,502)	(1,310,626)
Unrealized loss on investments at fair value (note 5)	258,065	-	258,065	-
Finance costs (note 13)	2,543,366	2,363,249	5,053,193	4,603,830
	$ (20,298,999)	**$ 4,965,401**	**$ (14,088,864)**	**$ 8,889,939**
Income (loss) before tax	**18,159,326**	**(445,893)**	**16,638,526**	**(281,022)**
Income tax expense	-	-	-	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ 18,159,326**	**$ (445,893)**	**$ 16,638,526**	**$ (281,022)**
Income (loss) per share attributable to shareholders of the Company:				
Basic	$ 0.08	$ (0.00)	$ 0.08	$ (0.00)
Diluted	$ 0.08	$ (0.00)	$ 0.08	$ (0.00)
Weighted average number of common shares outstanding:				
Basic	219,194,262	225,916,821	220,734,316	226,903,817
Diluted	219,194,262	225,916,821	220,734,316	226,903,817

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

		For the six months ended June 30, 2025		For the six months ended June 30, 2024
OPERATING ACTIVITIES				
Net income (loss) for the period	$	16,638,526	$	(281,022)
Items not affecting cash:				
Share of loss from joint venture (note 6)		6,980,475		78,804
Share of loss from associate (note 6)		620,344		-
Unrealized foreign exchange (note 12)		(246,219)		88,443
Unrealized change in fair value of derivative liabilities (note 9)		(1,041,502)		(1,310,626)
Depreciation (note 3, 4)		4,777,947		4,313,472
Gain on disposition (note 3)		(24,804,916)		-
Finance costs (note 13)		5,053,193		4,603,830
Changes in non-cash working capital items:				
Accounts receivable		(41,976)		(468,061)
Prepaid expenses and deposits		(799,250)		(30,805)
Accounts payable and other liabilities		1,256,602		140,950
Cash flows from operating activities		**8,393,224**		**7,134,985**
INVESTING ACTIVITIES				
Acquisition of investment properties (note 3)		(10,799,876)		(6,577,168)
Investment in building improvement and development (note 3)		(1,679,390)		(805,774)
Proceeds from disposition of investment properties, net of transaction costs (note 3)		91,550,535		-
Acquisition of investments at fair value (note 5)		(36,580,646)		-
Cash flows from (used in) investing activities		**42,490,623**		**(7,382,942)**
FINANCING ACTIVITIES				
Proceeds from debt issuance (note 8)		14,531,659		2,359,367
Debt issuance costs (note 8)		(323,736)		(469)
Repayment of debt (note 8)		(51,455,760)		(553,472)
Interest paid		(5,347,348)		(4,496,240)
Share buy-backs		(2,627,686)		(2,584,349)
Cash flows used in financing activities		**(45,222,871)**		**(5,275,163)**
Change in cash during the period		5,660,976		(5,523,120)
Effect of exchange rate changes on cash		(13,313)		86,889
Cash, beginning of period		5,476,859		10,556,555
CASH, END OF PERIOD	**$**	**11,124,522**	**$**	**5,120,324**

Supplemental information with respect to cash flows (note 16)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PARKIT ENTERPRISE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital								
	Number		**Amount**		**Contributed surplus**		**Deficit**		**Total**
Balance, December 31, 2023	**227,891,662**	**$**	**168,351,698**	**$**	**4,827,154**	**$**	**(23,991,422)**	**$**	**149,187,430**
Purchase and cancellation of common shares under NCIB (note 11(a))	(4,457,430)		(3,344,550)		-		760,201		(2,584,349)
Net loss for the period	-		-		-		(281,022)		(281,022)
Balance, June 30, 2024	**223,434,232**	**$**	**165,007,148**	**$**	**4,827,154**	**$**	**(23,512,243)**	**$**	**146,322,059**
Purchase and cancellation of common shares under NCIB (note 11(a))	(322,800)		(242,098)		-		60,393		(181,705)
Share-based compensation (note 11(b))	-		-		204,126		-		204,126
Net loss for the period	-		-		-		(2,525,445)		(2,525,445)
Balance, December 31, 2024	**223,111,432**	**$**	**164,765,050**	**$**	**5,031,280**	**$**	**(25,977,295)**	**$**	**143,819,035**
Purchase and cancellation of common shares under NCIB (note 11(a))	(5,519,692)		(4,077,593)		-		1,449,907		(2,627,686)
Net profit for the period	-		-		-		16,638,526		16,638,526
Balance, June 30, 2025	**217,591,740**	**$**	**160,687,457**	**$**	**5,031,280**	**$**	**(7,888,862)**	**$**	**157,829,875**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Parkit Enterprise Inc. ("Parkit" or the "Company") is incorporated under the laws of the Province of Ontario, the Company's head office and principal address is 100 Canadian Road, Toronto, Ontario, Canada, M1R 4Z5. Parkit's common shares are listed on TSX Venture Exchange ("TSX-V") (Symbol: PKT).

Parkit is a real estate investment platform focused on the acquisition, growth and management of strategically located investment properties across key urban markets in Canada. The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

2. BASIS OF PRESENTATION

Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent fiscal year-end consolidated financial statement and should be read in conjunction with the Company's consolidated financial statements as of December 31, 2024, which were prepared in accordance with IFRS as issued by the IASB. The accounting policies set out in note 3 of the Company's audited financial statements as at December 31, 2024 have been applied in preparing these condensed interim consolidated financial statements.

Certain comparative figures in preparing these consolidated financial statements have been reclassified to conform to the presentation of the current period.

Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Actual results may materially differ from these estimates.

A full list of the key sources of estimation uncertainty can be found in the Company's audited consolidated financial statements as of December 31, 2024.

(Expressed in Canadian Dollars)

3. INVESTMENT PROPERTIES

The following table provides a continuity of total investment properties for the six months ended June 30, 2025 and year ended December 31, 2024.

		June 30, 2025	December 31, 2024
Balance at beginning of period	$	296,809,161	288,363,032
Additions:			
Direct acquisitions		9,954,847	15,800,000
Building improvements		1,966,559	884,265
Transaction costs and land transfer taxes		689,420	315,560
Total additions to investment properties		**12,610,826**	**16,999,825**
Disposition of investment properties (i)		**(66,745,619)**	**-**
Changes included in net loss:			
Depreciation		(4,651,503)	(8,553,696)
Balance at end of period (i)(ii)	$	**238,022,865**	**296,809,161**

i. During the six months ended June 30, 2025, the company sold 6 properties in Manitoba, and the carrying value as at the date of the disposition is accounted for in the above continuity. See Investment properties dispositions for additional details .
ii. At June 30, 2025 and December 31, 2024, certain investment properties are held as security for debt (note 8).
iii. See note 17 for additional disclosure on the estimated fair value of the investment properties.

Investment properties

Investment properties include properties that are held for long-term rental yields or capital appreciation or both, and that is not occupied by the Company. Investment properties also include property that is being constructed or developed for future use as an investment property.

The Company elected the cost model for measurement for its investment properties, where the investment properties are stated at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquisitions

The Company elected to use the optional concentration test under IFRS 3 to the acquisition of the investment properties for the six months ended June 30, 2025, and concluded that they constitute an acquisition of assets as substantially all of the fair value was concentrated in a single asset.

The Company's investment property acquisition for the six months ended June 30, 2025, is detailed below.

		Purchase price	Date acquired
1650 Blvd Lionel Bertrand, Boisbriand, Quebec (i)		10,250,000	February 6, 2025
Total direct acquisition of investment properties	**$**	**10,250,000**	

i. This property was acquired from a non-arm's length vendor. See note 14 for additional details.

(Expressed in Canadian Dollars)

3. INVESTMENT PROPERTIES (continued)

Investment properties acquisitions (continued)

The Company's investment property acquisitions for the year ended December 31, 2024, are detailed below.

		Purchase price	Date acquired
961-975 Sherwin Rd, Winnipeg, Manitoba [(i)]	$	6,300,000	April 2, 2024
1650 Comstock Rd, Ottawa, Ontario		9,500,000	December 18, 2024
Total direct acquisition of investment properties	**$**	**15,800,000**	

i. This property was disposed on June 26, 2025. See Investment properties dispositions for additional details.

Investment properties dispositions

The Company's investment property dispositions for the six months ended June 30, 2025, are detailed below.

		Proceeds from disposition	Date of disposition
961-975 Sherwin Rd, Winnipeg, Manitoba	$	12,000,000	June 26, 2025
310 De Baets St, Winnipeg, Manitoba		14,500,000	June 26, 2025
1725 Inkster Blvd, Winnipeg, Manitoba		34,200,000	June 26, 2025
2030 Notre Dame Ave, Winnipeg, Manitoba		15,400,000	June 26, 2025
90-120 Paramount Rd, Winnipeg, Manitoba		4,400,000	June 26, 2025
1345 Redwood Ave, Winnipeg, Manitoba		16,000,000	June 26, 2025
Total disposition of investment properties	**$**	**96,500,000**	

Consideration for the dispositions for the six months ending June 30, 2025 totaled $96,500,000, which was satisfied by cash consideration of $56,500,000 and $40,000,000 in Trust and LP units based on a stated value of $6.20 per unit (note 5). The disposition of investment properties resulted in a gain of $24,804,916 for the six months ending June 30, 2025.

4. PARKING PROPERTIES

Parking properties include assets that are used in the ordinary course of business relating to parking operations.

On September 6, 2024, the Company acquired, through its U.S. subsidiary ("Parkit East Granby LLC"), certain business assets and the real property of Z Parking, Connecticut for a total cost of $2,279,326, inclusive of acquisition costs. Prior to the acquisition, these assets were held within the Company's joint venture (note 6).

The Company elected to use the optional concentration test under IFRS 3 to the acquisition of these assets and concluded that they constitute an acquisition of assets as substantially all of the fair value was concentrated in a single asset. The total acquisition cost, inclusive of transaction costs, was allocated to parking properties.

(Expressed in Canadian Dollars)

4. PARKING PROPERTIES (continued)

The following table provides a continuity of total parking properties for the six months ended June 30, 2025 and the year ended December 31, 2024.

		June 30, 2025		December 31, 2024
Balance at beginning of year	**$**	**11,822,096**	**$**	**9,736,467**
Additions:				
Direct acquisitions		-		2,173,960
Transaction costs and land transfer taxes		-		105,366
Total additions to parking properties		-		**2,279,326**
Changes included in net loss:				
Depreciation		(126,444)		(193,697)
Total changes included in net loss		**(126,444)**		**(193,697)**
Balance at end of period	**$**	**11,695,652**	**$**	**11,822,096**

5. INVESTMENTS AT FAIR VALUE

As part of the disposition of investment properties as outlined in note 3, the Company obtained shares as consideration with the breakdown as follows, and have recorded these financial assets at fair value:

	Number of Shares		Share Price		June 30, 2025
PRO Real Estate Investment Trust – Trust Units	3,776,613	$	5.67	$	21,413,396
PRO Real Estate Investment Trust – Class B LP Unit:	2,675,000	$	5.67		15,167,250
Balance at end of period	**6,451,613**	**$**	**5.67**	**$**	**36,580,646**

PRO Real Estate Investment Trust ("PROREIT") is an unincorporated open-ended real estate investment trust which owns a portfolio of high-quality commercial real estate properties in Canada. The trust units of PROREIT trade on the Toronto Stock Exchange (the "TSX").

The Class B LP Unit of PROREIT is exchangeable for a trust unit of PROREIT and is attached to a special voting unit of PROREIT providing for a voting right in PROREIT. As of June 30, 2025, the Trust and LP Units pay a monthly dividend of $0.0375 per share. During the six months ended June 30, 2025, the company recognized an unrealized loss of $258,065 due to the change in the market price of the shares.

Concurrent with the acquisition of the Trust Units and Class B LP Units, PROREIT and Parkit have entered into an investor rights agreement providing for, among other things, pre-emptive rights for the purchase of Trust Units on a PROREIT offering, registration rights for the sale of the Trust Units (including Class B LP Units exchanged for Trust Units), the right for Parkit to nominate one trustee to PROREIT's board of trustees, and certain lock-up and standstill provisions.

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE

		June 30, 2025		December 31, 2024
Investment in joint venture	$	3,427,608	$	9,098,355
Investment in associate		-		620,344
Long-term receivable		-		1,381,344
Balance at end of period	**$**	**3,427,608**	**$**	**11,100,043**

(Expressed in Canadian Dollars)

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

The Company's share of (loss) income from equity-accounted investees are summarized as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Share of operations from joint venture	$ 186,579	$ 43,634	$ 6,542	$ (78,804)
Impairment of investment in joint venture (i)	(5,677,289)	-	(5,677,289)	-
Share of (loss) income from joint venture (ii)	(5,490,710)	43,634	(5,670,747)	(78,804)
Impairment of long-term receivable (iii)	(1,309,728)	-	(1,309,728)	-
Impairment from investment in associate (iv)	(620,344)	-	(620,344)	-
Share of (loss) income from equity-accounted investees	**$ (7,420,782)**	**$ 43,634**	**$ (7,600,819)**	**$ (78,804)**

i. The Company recorded an impairment in its investment in joint venture.
ii. The share of (loss) income from the joint venture are translated using average exchange rates for the period
iii. The Company recorded an impairment to its long-term receivable
iv. The Company recorded an impairment in its investment in associate.

Investment in joint venture

The carrying amounts of the Company's investment in joint venture is as follows:

	June 30, 2025	December 31, 2024
Balance at beginning of period	$ 9,098,355	$ 9,530,167
Share of loss from joint venture	(5,670,747)	(431,812)
Balance at end of period	**$ 3,427,608**	**$ 9,098,355**

Interests in joint venture

The Company uses the equity method for accounting for joint ventures. The significant joint venture of the Company is as follows:

Name of joint venture	Place of incorporation	Percentage ownership June 30, 2025	Percentage ownership December 31, 2024	Principal activity	Functional currency
PAVe Admin, LLC	Delaware, USA	50%	50%	Member/Manager of Parking Acquisition Ventures LLC	USD

(Expressed in Canadian Dollars)

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

In April 2015, the Company's subsidiary, Greenswitch America Inc. and Parking Real Estate, LLC ("PRE"), jointly created separate legal entities, Parking Acquisition Ventures, LLC ("PAVe LLC") and PAVe Admin, LLC ("PAVe Admin") to manage and oversee the parking properties of OP Holdings JV, LLC ("OP Holdings"), as an administrator. PAVe Admin is an entity created for legal purposes and consolidates PAVe LLC under IFRS.

PAVe LLC has different classes of membership units, and the entitlements to distributions from these investments are different among each class.

The Company is entitled to an 82.83% (December 31, 2024 – 82.83%) pro-rata allocation of distributions from OP Holdings to PAVe LLC. PAVe LLC is a 29.45% (December 31, 2024 – 29.45%) equity member of OP Holdings with PAVe LLC accounting for OP Holdings as an investment in associate. OP Holdings holds a portfolio of U.S. based parking facilities, including Canopy Airport Parking ("Canopy"), previously held by the Company's associate Green Park Denver, LLC.

Commitments

Pursuant to the OP Holdings joint venture and the PAVe LLC operating agreements, the Company has a commitment to contribute up to 5% of any capital call made by the OP Holdings. OP Holdings has breached its debt covenants for its borrowings as at June 30, 2025. The joint venture has received a waiver from its lender as at June 30, 2025. No provision has been accrued by the Company as at June 30, 2025 (December 31, 2024 – $Nil) with respect to additional commitments.

Summarized financial information of joint venture

The assets and liabilities of the joint venture translated into Canadian dollars are summarized as follows:

		June 30, 2025		December 31, 2024
Assets				
Other current assets	$	12,511	$	13,195
Interest in associate		14,085,446		14,839,502
		14,097,957		**14,852,697**
Liabilities				
Accounts payable		20,140		21,241
		20,140		**21,241**
Net assets of joint venture		**14,077,817**		**14,831,456**
Net assets attributable to the Company (i) (ii)	**$**	**11,693,895**	**$**	**12,319,951**
Share of loss from joint venture	**$**	**(5,670,747)**	**$**	**-**
Investment in joint venture (iii)	**$**	**3,427,608**	**$**	**9,098,355**

i. The joint venture has different classes of membership units, and the entitlements to voting and distributions are different among each membership class. The Company's entitlements to each membership class ranges from 0% to 82.83%. Under the equity method, on initial recognition the investment in the joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company, based on its membership in the OP Holdings, is entitled to profits (losses) on the investments included in the joint ventures at 82.8% based on the membership agreement and waterfall calculations for each joint venture. As a result, the calculated percentage of the Company's total share of profits (losses) of the joint venture profits (losses) will vary from period to period.

(Expressed in Canadian Dollars)

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES AND LONG-TERM RECEIVABLE (continued)

Summarized financial information of joint venture (continued)

ii. The functional currency of the joint venture is the United States dollar. The net assets of the joint venture and the net assets attributable to the Company in the above table were translated using the period end exchange rates.

iii. In accordance with the Company's accounting policy, the carrying value of the investment in the joint venture on the consolidated statements of financial position is translated into Canadian dollars at historical cost. The difference in the translation method results in the difference between "Net assets attributable to the Company" and "Investment in joint venture" in the above table.

Investment in associate

In April 2015, the Company's then subsidiary Green Park Denver, LLC sold Canopy Airport Parking to OP Holdings JV, LLC, and in July 2015 Green Park Denver was deconsolidated as a subsidiary with the fair value of the retained interest in Green Park Denver, recorded as an investment in associate accounted for using the equity method.

The only significant asset retained in the associate is an earnout receivable from OP Holdings. The associate measures the earnout receivable at fair value through profit or loss. The associate has no continuing operations and is being maintained to receive the earn-out payments.

The earn-out is payable in three tranches. The first tranche was earned and paid upon achievement of targets on April 22, 2016. The second tranche was earned and paid upon achievement of targets on April 22, 2017. The final tranche is payable upon disposition of certain assets in OP Holdings. Pursuant to the members' agreement, the Company's interest was 47.7% for the first tranche and 40.6% for the second and third tranches.

The Company recorded an impairment of $620,344 on investment in associate for the three and six months ended June 30, 2025 as the expected repayment of the final tranche is uncertain.

Long-term receivable

At the inception of the joint venture, the Company advanced funds to Parking Real Estate, LLC ("PRE"), a joint venture partner, for the purpose of PRE funding investments in income-producing properties and related costs of acquisition. As at June 30, 2025, the balance of the advance to PRE was nil, as the Company recorded an impairment due to the collectability of the receivable. As at December 31, 2024, the balance of the advance to PRE was $1,381,344 ($960,000 USD).

7. ACCOUNTS RECEIVABLE

		June 30, 2025		December 31, 2024
Current:				
Rent receivable on investment properties	$	1,130	$	2,373
Accrued tax, maintenance and insurance recoveries		319,838		93,898
Management fees		322,498		258,642
Dividend receivable		241,935		-
Other receivables		710,668		1,187,189
		1,596,069		1,542,102
Non-current:				
Straight-line rent adjustments		2,059,068		2,121,553
Balance at end of period	**$**	**3,655,137**	**$**	**3,663,655**

(Expressed in Canadian Dollars)

8. DEBT

The following table summarizes the debt as of June 30, 2025, and December 31, 2024.

	June 30, 2025			December 31, 2024		
	Rate range	Weighted average	Balance	Rate range	Weighted average	Balance
Mortgages:						
At amortized cost - fixed (i)	2.31% - 6.87%	5.03%	$ 40,383,001	2.31% - 6.87%	5.08%	$ 33,410,511
	Maturity: Dec 2025 to Dec 2030			*Maturity: Dec 2025 to Dec 2030*		
At FVTPL - Mortgage			8,300,479			12,534,840
- Fixed via interest rate swap (ii)			(268,655)			(395,542)
		3.49%	8,031,824		3.56%	12,139,298
	Maturity: Nov 2029			*Maturity: May 2025 to Nov 2029*		
Credit facilities:						
At FVTPL - Credit facilities (iii, iv)		5.10%	16,338,985		5.72%	9,507,230
At FVTPL - Credit facilities (iii)			76,813,029			124,389,587
- Fixed via interest rate swap (v)			686,971			110,413
		5.46%	77,500,000		5.49%	124,500,000
	Maturity: Mar 2026 to Mar 2027			*Maturity: January 2025 to Mar 2026*		
Total debt (vi)		**5.18%**	**142,253,810**		**5.30%**	**179,557,039**
Financing costs, net (vii)			(614,815)			(457,476)
Carrying value (viii)			**$ 141,638,995**			**$ 179,099,563**
Current debt			$ 33,707,745			$ 78,894,203
Non-current debt			$ 107,931,250			$ 100,205,360

i. As at June 30, 2025, included in these figures is a mortgage payable, with a USD equivalent balance of $4,148,767 (December 31, 2024 – $4,183,673 USD) with an amortization period of 25 years. The remainder of the mortgages are payable in CAD with an amortization period of 25 years.

ii. The mortgage models a fixed rate mortgage with a set interest rate of 3.49%, amortizing with fixed monthly payments over 25 years, with a term of 10 years. The swap contracts require settlement of net interest receivable or payable every 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying mortgage payable. The mortgage and interest rate swaps have been accounted for at FVTPL. As at June 30, 2025, the interest rate swap on mortgages (note 9) was in a net asset position of $268,655 (December 31, 2024 – asset position $395,542).

iii. Included in the credit facilities is a revolving line of credit of $67,000,000 of which $50,838,985 has been drawn upon as at June 30, 2025 (December 31, 2024 – $55,000,000 line of credit with $44,007,230 drawn), resulting in a remaining line of credit available of $16,161,015 (December 31, 2024 – $10,992,770). The interest rate applicable to the available line of credit will be determined in accordance with the prevailing variable interest rate.

iv. The balance includes a USD balance of $700,000 ($955,010 CAD) as at June 30, 2025 (December 31, 2024 – USD balance of $700,000 ($1,007,230 CAD)).

(Expressed in Canadian Dollars)

8. DEBT (continued)

v. The Company has entered into a series of swap agreements to fix the interest rate of between 5.10% to 5.66% on the $77,500,000 combined revolving and non-revolving lines of credit, for the remainder of the loan term maturing on March 2026 to March 2027. The swap contracts require settlement of net interest receivable or payable every 30 days and have been accounted for at FVTPL. As of June 30, 2025, the interest rate swap on mortgages was in a financial liability position amounting to $686,971 (December 31, 2024 – financial liability position of $110,413). The unrealized fair value of the swap position after loan maturity is detailed in note 9 below.

vi. The mortgages are collateralized by first charges on specific investment properties (note 3) and specific parking properties (note 4).

vii. The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization of $903,455 as at June 30, 2025 (December 31, 2024 – $758,994).

viii. See note 17 for additional disclosure on the estimated fair value of the debt.

The following table provides a continuity of total debt for the six months ended June 30, 2025 and year ended December 31, 2024.

	June 30, 2025	December 31, 2024
Balance at beginning of period	$ 179,099,563	$ 168,435,521
Debt issuance [(i)]	14,531,659	10,895,478
Debt issuance costs	(309,648)	(63,769)
Debt repayment [(i)]	(51,455,760)	(1,076,939)
Change in fair value of mortgage payable measured at FVTPL	(703,445)	(2,548,440)
Change in fair value of interest rate swap	703,445	2,548,440
Amortization of debt issuance costs	129,572	346,200
Unrealized foreign exchange	(356,391)	563,072
Balance at end of period	**$ 141,638,995**	**$ 179,099,563**

i. Debt issuance is net of debt repayments on the revolving credit facility at a financial institution.

Principal repayments on mortgages are estimated as follows:

	Total
2025 [(i)]	$ 10,680,332
2026 [(i)]	23,881,081
2027 [(i)]	71,764,445
2028 [(i)]	6,249,069
2029 [(i)]	7,515,858
Thereafter [(i)]	22,163,025
	$ 142,253,810

i. Includes debt balance due at maturity.

(Expressed in Canadian Dollars)

9. REALIZED AND UNREALIZED FAIR VALUE OF DERIVATIVE LIABILITIES

The Company has entered into swap agreements with its lenders for its variable debt outlined in note 8, with certain swaps maturing on dates beyond the maturities of the underlying debt. These swap positions have maturities between April 2027 and April 2028, with an option to cancel at specified dates ranging between November 2025 to April 2026, at the option of the lender. The fair value of the unrealized derivative financial liability as June 30, 2025 is $538,539 (December 31, 2024 – derivative liability of $1,580,041). As at June 30, 2025, the overall swap positions, up until its final maturity for all of the Company's swaps, are a financial liability of $956,855 (December 31, 2024 – financial liability of $1,294,912). During the six months ended June 30, 2025, the lender elected not to cancel the swap with a notional value of $20,000,000 in April 2025, thus the swap's maturity date remains April 2027.

		June 30, 2025		December 31, 2024
Non-current:				
Fair value of swap to maturity – financial liability (i)	$	956,855	$	1,294,912
Fair value of swap offset against mortgages (note 8) (ii)		268,655		395,542
Fair value of swap offset against credit facilities (note 8) (ii)		(686,971)		(110,413)
Unrealized fair value of derivative liabilities (iii, iv)	**$**	**538,539**	**$**	**1,580,041**

i. Inclusive of the fair value of all the Company's swaps held until the swap's final maturity.
ii. The fair value of the swap up until the maturity of the offsetting loan.
iii. The fair value of the swap that exceeds the maturity of the offsetting loan, until the swap's final maturity, inclusive of the lenders option to cancel.
iv. See note 17 for additional disclosure on the estimated fair value of the derivative liabilities.

The table below outlines the breakdown between realized and unrealized gain or loss on derivative financial instruments:

		For the three months ended June 30, 2025		For the three months ended June 30, 2024		For the six months ended June 30, 2025		For the six months ended June 30, 2024
Unrealized gain on derivative financial instruments	$	1,676,656	$	220,453	$	1,041,502	$	1,310,626
Realized loss on derivative financial instruments		(771,000)		-		(771,000)		-
	$	**905,656**	**$**	**220,453**	**$**	**270,502**	**$**	**1,310,626**

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

		June 30, 2025		December 31, 2024
Current:				
Accounts payable and accrued liabilities	$	3,731,600	$	3,283,449
Rents received in advance		300,951		205,761
Accrued interest on debt (note 8)		370,774		808,589
		4,403,325		4,297,799
Non-current:				
Tenant deposits		2,680,535		1,860,965
Balance at end of period	**$**	**7,083,860**	**$**	**6,158,764**

(Expressed in Canadian Dollars)

11. EQUITY

a) Authorized

Unlimited common shares, without par value.

Normal Course Issuer Bid Program

In March 2023, the Company renewed the NCIB program to purchase for cancellation, during the 12-month period starting March 24, 2023, up to 11,692,258 of the outstanding common shares of the Company, representing 5% of the common shares outstanding. The program was renewed for a further 12-month period starting March 28, 2024, where the Company can purchase up to 11,394,158 of the outstanding common shares of the Company. The program will end on March 27, 2025. The program was renewed for a further 12-month period starting March 28, 2025, where the Company can purchase up to 11,088,361 of the outstanding common shares of the Company. The program will end on March 27, 2026. The price paid for the common shares is, subject to NCIB pricing rules contained in securities laws, the prevailing market price of such common shares on the TSX Venture Exchange at the time of such purchase.

During the six months ended June 30, 2025, the Company purchased and cancelled 5,519,692 (December 31, 2024 – 4,780,230) common shares pursuant to its NCIB for a total of $2,627,686 (December 31, 2024 – $2,766,054) at an average price of $0.48 (December 31, 2024 – $0.58) per share. The Company's share capital was reduced by $4,077,593 (December 31, 2024 – $3,586,648) for the value of the shares purchased for cancellation with the excess of $1,449,907 paid under the value recognized as a reduction in deficit (December 31, 2024 – the excess of $820,594 under the value recognized as an increase in the deficit).

b) Stock options

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at December 31, 2024	14,192,000	$1.15
Balance as at June 30, 2025	**14,192,000**	**$1.15**

On December 30, 2024, the Company approved and granted 1,588,500 stock options to directors, officers, employees and consultants of the Company, for a total expense of $204,126. The stock options were fully vested on the grant date, have a 10-year term, and are exercisable at a price of $0.60 per share.

As at June 30, 2025, the following stock options were outstanding and exercisable:

Exercise price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$0.60	1,588,500	1,588,500	9.51
$0.63	2,178,500	2,178,500	8.50
$1.05	3,455,000	3,455,000	7.56
$1.50	6,970,000	6,970,000	6.23
	14,192,000	**14,192,000**	**7.27**

(Expressed in Canadian Dollars)

11. EQUITY (continued)

As of December 31, 2024, the following stock options were outstanding and exercisable:

Exercise price	Number of exercisable options	Number of outstanding options	Weighted average years to expiry
$0.60	1,588,500	1,588,500	10.00
$0.63	2,178,500	2,178,500	9.00
$1.05	3,455,000	3,455,000	8.06
$1.50	6,970,000	6,970,000	6.73
	14,192,000	**14,192,000**	**7.77**

The following provides a continuity of total contributed surplus for the period ended June 30, 2025, and December 31, 2024.

		Contributed surplus
Balance as at December 31, 2023	**$**	**4,827,154**
Share-based compensation		204,126
Balance as at December 31, 2024		**5,031,280**
Balance as at June 30, 2025	**$**	**5,031,280**

12. GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER INCOME

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Management salaries and fees (note 14)	$ 215,598	$ 204,840	$ 408,079	$ 411,349
Director fees (note 14)	36,000	36,000	72,000	72,000
Professional fees	372,563	369,307	752,763	652,566
Other administrative expenses	130,953	68,944	259,433	199,687
Total general and administrative expenses	**755,114**	**679,091**	**1,492,275**	**1,335,602**
Asset management income	(31,532)	(33,865)	(63,579)	(67,233)
Finance income	(16,073)	(41,703)	(43,193)	(73,549)
Foreign exchange (gain) loss	(241,906)	28,744	(246,219)	88,443
Total general and administrative expenses and other income	**$ 465,603**	**$ 632,267**	**$ 1,139,284**	**$ 1,283,263**

13. FINANCE COSTS

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest expense on debt (note 8)	$ 2,471,026	$ 2,269,299	$ 4,923,621	$ 4,431,331
Amortization of debt issuance costs (note 8)	72,340	93,950	129,572	172,499
Unrealized change in fair value on mortgage payable (note 8)	(265,398)	(710,793)	(703,445)	(296,720)
Unrealized change in fair value interest rate swap (note 8)	265,398	710,793	703,445	296,720
Total	**$ 2,543,366**	**$ 2,363,249**	**$ 5,053,193**	**$ 4,603,830**

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Total for all senior management				
Salaries, fees, and benefits (note 12)	$ **87,018**	$ **94,213**	$ **174,036**	$ **159,645**
Total for all directors				
Director fees (note 12)	**36,000**	**36,000**	**72,000**	**72,000**
Property and other general operating expenses				
Investment properties expenses	381,179	329,468	758,018	630,327
Professional fees and other administrative expenses	471,840	433,006	904,049	865,581
Finance costs	35,357	11,916	41,083	43,558
	888,376	**774,390**	**1,703,151**	**1,539,466**
Total	$ **1,011,394**	$ **904,603**	$ **1,949,187**	$ **1,771,111**

Transactions with related parties

On December 29, 2020, the Company entered into a property management agreement with Access Results Management Services Inc. ("ARMS"). ARMS and the Company are related by having common members on its Board of Directors. The management agreement has, subject to certain conditions, a five-year term. The Company receives invoices from ARMS and its related companies for construction, maintenance and other services related to the day-to-day operations, including accounting, financial, property and executive management.

- For the three and six months ended June 30, 2025, the Company incurred property management fees and other rental and general operating expenses totalling $888,376 and $1,703,151 from ARMS and its related companies (three and six months ended June 30, 2024 – $774,390 and $1,539,466), of which $87,018 and $174,036 of key management personnel compensation was included in the table above (June 30, 2024 – $94,213 and $159,645).

- For the three and six months ended June 30, 2025, construction costs of $580,309 and $774,992 incurred through ARMS and its related companies have been capitalized to investment properties (three and six months ended June 30, 2024 – $281,407 and $405,314).

- Amounts due to and from ARMS and its related companies at June 30, 2025 includes $736,372 in accounts payable and accrued liabilities (December 31, 2024 – $710,921) and $79,151 is included in accounts receivable (December 31, 2024 – $393,562).

The Company had acquired the investment property at 1650 Blvd Lionel Bertrand, Boisbriand, Quebec from a vendor managed by two directors of the Company, for an aggregate purchase price $10,250,000 on February 6, 2025, subject to customary adjustments.

For the three and six months ended June 30, 2025, the Company earned $1,160,139 and $1,889,458 in investment properties revenues from leases with companies managed by two directors of the Company (three and six months ended June 30, 2024 – $225,143 and $813,502).

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION

The Company operates in two reportable business segments:

- Investment properties – involves the acquisition and management of income-producing investment properties across key markets in Canada.
- Parking properties – involves the acquisition and management of income-producing parking facilities across the United States.

Each segment is a component of the Company for which separate discrete financial information is available by the chief decision makers of the Company. The Company evaluates performance and allocates resources based on earnings before interest, taxes, depreciation, amortization, and stock-based compensation. Corporate costs are not allocated to the segments and are shown separately.

During the three and six months ended June 30, 2025, the Company had one customer individually exceed 10% of total revenue. This customer accounted for 13% and 10% of total revenues for the three and six months ended June 30, 2025 (6% and 6% for the three and six months ended June 30, 2024).

For the three months ended June 30, 2025	**Investment properties**	**Parking properties**	**Corporate**	**Total**
Investment properties revenue	$ 7,750,540	$ -	$ -	$ 7,750,540
Investment properties expenses	(2,487,027)	-	-	(2,487,027)
Net rental income	**5,263,513**	**-**	**-**	**5,263,513**
Parking properties revenue	-	1,209,801	-	1,209,801
Parking properties expenses	-	(1,192,205)	-	(1,192,205)
Share of loss from equity-accounted investees	-	(7,420,782)	-	(7,420,782)
Net parking loss	**-**	**(7,403,186)**	**-**	**(7,403,186)**
Other (income) expenses				
Gain on disposition	(24,804,916)	-	-	(24,804,916)
Dividend income	-	-	(241,935)	(241,935)
General and administrative expenses and other income	-	(31,532)	497,135	465,603
Realized and unrealized gain on derivative financial instruments	-	-	(905,656)	(905,656)
Unrealized loss on investments at fair value	-	-	258,065	258,065
Depreciation	-	-	2,386,474	2,386,474
Finance costs	-	-	2,543,366	2,543,366
	(24,804,916)	**(31,532)**	**4,537,449**	**(20,298,999)**
NET INCOME (LOSS)	**$ 30,068,429**	**$ (7,371,654)**	**$ (4,537,449)**	**$ 18,159,326**
Additions:				
Investment properties (note 3)	$ 1,444,666	$ -	$ -	$ 1,444,666
Dispositions:				
Investment properties (note 3)	$ 66,745,619	$ -	$ -	$ 66,745,619

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION (continued)

For the three months ended June 30, 2024	Investment Properties	Parking Properties	Corporate	Total
Investment properties revenue	$ 6,332,263	$ -	$ -	$ 6,332,263
Investment properties expenses	(2,075,498)	-	-	(2,075,498)
Net rental income	**4,256,765**	-	-	**4,256,765**
Parking properties revenue	-	865,856	-	865,856
Parking properties expenses	-	(646,747)	-	(646,747)
Share of income from equity-accounted investees	-	43,634	-	43,634
Net parking income	-	**262,743**	-	**262,743**
Other (income) expenses				
General and administrative expenses and other income	-	(33,865)	666,132	632,267
Unrealized gain on derivative financial instruments	-	-	(220,453)	(220,453)
Depreciation	-	-	2,190,338	2,190,338
Finance costs	-	-	2,363,249	2,363,249
	-	**(33,865)**	**4,999,266**	**4,965,401**
NET INCOME (LOSS)	**$ 4,256,765**	**296,608**	**(4,999,266)**	**(445,893)**
Additions:				
Investment properties (note 3)	**$** 6,749,326	$ -	$ -	$ 6,749,326

For the six months ended June 30, 2025	Investment Properties	Parking Properties	Corporate	Total
Investment properties revenue	$ 14,871,681	$ -	$ -	$ 14,871,681
Investment properties expenses	(4,722,132)	-	-	(4,722,132)
Net rental income	**10,149,549**	-	-	**10,149,549**
Parking properties revenue	-	2,348,524	-	2,348,524
Parking properties expenses	-	(2,347,592)	-	(2,347,592)
Share of loss from equity-accounted investees	-	(7,600,819)	-	(7,600,819)
Net parking income	-	**(7,599,887)**	-	**(7,599,887)**
Other (income) expenses				
Gain on disposition	(24,804,916)	-	-	(24,804,916)
Dividend income	-	-	(241,935)	(241,935)
General and administrative expenses and other income	-	(63,579)	1,202,863	1,139,284
Realized and unrealized gain on derivative financial instruments	-	-	(270,502)	(270,502)
Unrealized loss on investments at fair value	-	-	258,065	258,065
Depreciation	-	-	4,777,947	4,777,947
Finance costs	-	-	5,053,193	5,053,193
	(24,804,916)	**(63,579)**	**10,779,631**	**(14,088,864)**
NET INCOME (LOSS)	**$ 34,954,465**	**(7,536,308)**	**(10,779,631)**	**16,638,526**
Additions:				
Investment properties (note 3)	**$** 12,610,826	$ -	$ -	$ 12,610,826
Dispositions:				
Investment properties (note 3)	**$** 66,745,619	**$ -**	**$ -**	**$** 66,745,619

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION (continued)

For the six months ended June 30, 2024	Investment Properties	Parking Properties	Corporate	Total
Investment properties revenue	$ 12,390,783	$ -	$ -	$ 12,390,783
Investment properties expenses	(4,103,602)	-	-	(4,103,602)
Net rental income	**8,287,181**	-	-	**8,287,181**
Parking properties revenue	-	1,630,274	-	1,630,274
Parking properties expenses	-	(1,229,734)	-	(1,229,734)
Share of loss from equity-accounted investees	-	(78,804)	-	(78,804)
Net parking income	-	**321,736**	-	**321,736**
Other (income) expenses				
General and administrative expenses and other income	-	(67,233)	1,350,496	1,283,263
Unrealized gain on derivative financial instruments	-	-	(1,310,626)	(1,310,626)
Depreciation	-	-	4,313,472	4,313,472
Finance costs	-	-	4,603,830	4,603,830
	-	(67,233)	8,957,172	8,889,939
NET INCOME (LOSS)	**$ 8,287,181**	**388,969**	**(8,957,172)**	**(281,022)**
Additions:				
Investment properties (note 3)	**$** 7,087,589	$ -	$ -	$ 7,087,589

16. SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Non-cash transactions:		
Amounts included in accounts payable and other liabilities		
Additions to investment properties	305,883	205,245
Amounts included in prepaid expenses and other assets		
Interest paid	-	(294,960)

(Expressed in Canadian Dollars)

17. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with level 1 inputs having the highest priority. The levels used to value the Company's financial assets and liabilities are described below.

- Level 1 – Unadjusted quoted prices 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, i.e. as prices, or indirectly, i.e. derived from prices.
- Level 3 – Inputs for the asset or liability that are not based on an observable market, i.e. unobservable inputs.

The fair value of the Company's accounts receivable, long-term receivable, accounts payable and accrued liabilities, accrued interest, and tenant deposits approximate carrying value, which is the amount recorded on the consolidated statements of financial position.

The following table provides a summary of the remaining fair value measurements of the Company:

	Fair Value hierarchy	Carrying amount	Fair value
Financial assets measured at fair value:			
Cash	Level 1	$ 11,124,522	$ 11,124,522
Non-financial assets for which fair value is disclosed:			
Investment properties – cost model	Level 3	238,022,865	314,832,258
PRO Real Estate Investment Trust – Trust Units	Level 1	21,413,396	21,413,396
PRO Real Estate Investment Trust – LP Units	Level 2	15,167,250	15,167,250
Financial liabilities measured at fair value:			
Debt at FVTPL – mortgages and credit facilities	Level 2	(101,452,493)	(101,452,493)
Interest rate swaps	Level 2	(418,316)	(418,316)
Unrealized fair value of derivative liabilities	Level 2	(538,539)	(538,539)
Financial liabilities for which fair value is disclosed:			
Debt at amortized cost – mortgages	Level 3	(40,383,001)	(40,685,392)

Valuation processes for investment property

The fair value of an individual investment property was prepared by preparing:

- a valuation using the income capitalization approach, which is calculated with a stabilized net operating income and capitalized at the requisite overall capitalization rate; or
- the discounted cash flow approach, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, or
- a direct comparison method, which is the primary method of appraising investment properties consisting solely of land. Recent sales of parcels of land, similar in terms of physical characteristics, and location are compared to the subject property to determine a representative value for the unit of comparison, i.e. sale price per acre.

(Expressed in Canadian Dollars)

17. FAIR VALUE MEASUREMENTS (continued)

Valuation processes for investment property (continued)

Updating the fair value for changes in the property cash flow, physical condition and changes in market conditions includes key assumptions and estimates for capitalization rates, normalized property operating revenues less property operating expense, discount rates, terminal rates, market rents, leasing costs and vacancy rates.

The Company's management team is responsible for determining the fair value measurements on a quarterly basis, including verifying all major inputs included in the valuation and reviewing the results. The Company's management, along with its Audit Committee, discuss the valuation process and key inputs on a quarterly basis. At June 30, 2025, a weighted average of 48% of the fair market value of the investment properties were appraised within the last year by qualified external valuators who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The fair value of the remaining portfolio of investment properties was determined internally by the Company's management team by individuals who are knowledgeable and have specialized industry experience in real estate valuations, with support from external valuation professionals, using similar assumptions and valuation principles as used by external appraisers.

The significant and unobservable level 3 valuations metrics used in the methods as at June 30, 2025 are set out in the table below for investment properties consisting of land and building:

	Range (%)	Weighted Average (%)
Income capitalization method		
Stabilized capitalization rate	5.50 - 7.00	6.02
Discounted cash flow method		
Terminal capitalization rate	6.00 - 7.75	6.65
Discount rate	6.50 - 8.75	7.32

Sensitivities on assumptions:

Generally, under the income capitalization method, an increase in stabilized net operating income will result in an increase in the fair value of an investment property, and an increase in the stabilized capitalization rate will result in a decrease to the fair value of the investment property.

Generally, under the discounted cash flow method, an increase in discount rate and terminal capitalization rate will result in a decrease to the fair value of an investment property.

Changes in the capitalization rates and discount rates would result in a change to the fair value of the investment properties as set out below as at June 30, 2025:

		(Decrease) increase
Income capitalization method:		
Weighted average stabilized capitalization rate:		
25-basis point increase	$	(3,152,020)
25-basis point decrease		3,427,428
Discounted cash flow method:		
Weighted average terminal capitalization rate:		
25-basis point increase		(4,362,568)
25-basis point decrease		4,710,928
Weighted average discount rate:		
25-basis point increase		(3,819,687)
25-basis point decrease		3,910,581

17. FAIR VALUE MEASUREMENTS (continued)

Valuation processes for financial liabilities measured at FVTPL

The fair value of the mortgages with interest rate swaps are held at FVTPL. For mortgages which contain swaps, as the interest rate on the facilities fluctuates with changes in market rates, debt and the swap work to offset any changes in effective interest rate, which effectively creates a fixed rate mortgage. The fair value of the mortgages is equivalent to a) the fair value of the interest rate swap based on the present value of the estimated cash flows determined using observable yield curves and b) the fair value of the underlying debt instrument. The Company computes the fair value analyzing both the debt and swap instrument together as one financial instrument.

The fair value of the unrealized derivative liability is the value of the swap relating to the period after the maturity of the underlying debt to the derivative liabilities' maturity.

Valuation processes for financial liabilities measured at amortized cost

The fair value of the fixed rate mortgages held at amortized cost are determined by discounting the expected cash flows each mortgage using market discount rates. The discount rates are determined using the Government of Canada benchmark bond yield for instruments of similar maturity adjusted for the Company's specific credit risk. In determining the adjustment for credit risk, the Company considers market conditions, the fair value of the investment properties that the mortgages are secured by and other indicators of the Company's creditworthiness. As a result, these measurements are classified as Level 3 in the fair value hierarchy.

18. SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the Company successfully closed the acquisition of an investment property from a non-arm's length vendor for an aggregate purchase price of $10,750,000, subject to customary adjustments. The acquisition was financed with a first mortgage of $7,500,000 with the balance funded with cash on hand.