



2025 ANNUAL REPORT

Presented to:
The Limited Partners of
302 Legget Drive Limited Partnership

2025 HIGHLIGHTS

This large industrial building includes numerous dock and grade level loading doors, highway access, ample parking and large turning radius for trucking access.



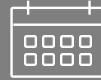
85,092

Square Feet



100%

Occupancy



3.6 YR

Weighted Average
Lease Term



\$1.42M

Net Operating
Income



16.45%

Average Annual
Cash Yield



2.8x

Multiple on Invested
Capital

302 Legget Drive
Ottawa, ON



+ Letter to the Limited Partners

Dear Limited Partners,

302 Legget Drive (the "Property") remained fully leased throughout 2025.

Net Operating Income (NOI) at the Property increased 5.47% to approximately \$1.42 million in 2025, as compared to the prior year.

During the year, a lease renewal was completed with a tenant representing 17% of the Property's Gross Leasable Area (GLA). The renewal includes a 11% increase in rental rate, taking effect in 2026, with annual escalations thereafter.

The weighted average lease term (WALT) of the Property is approximately 3.6 years, with a weighted average base rent of \$15.05 per square foot.

A distribution of **\$260,000** will be made at this time, bringing total distributions for the year to \$500,000, in line with projections. Cumulative distributions since acquisition now total approximately **\$5.8 million, representing 123% of the original equity invested.**

Looking ahead, a distribution of \$500,000 is projected for 2026.

Sincerely,

Ken and Christian Jennings
Directors of the General Partner

+ Property Performance

2025 Property Return

A **\$260,000** distribution will be made in Q4, bringing the total distributions for the year to \$500,000, in line with our 2025 projection.

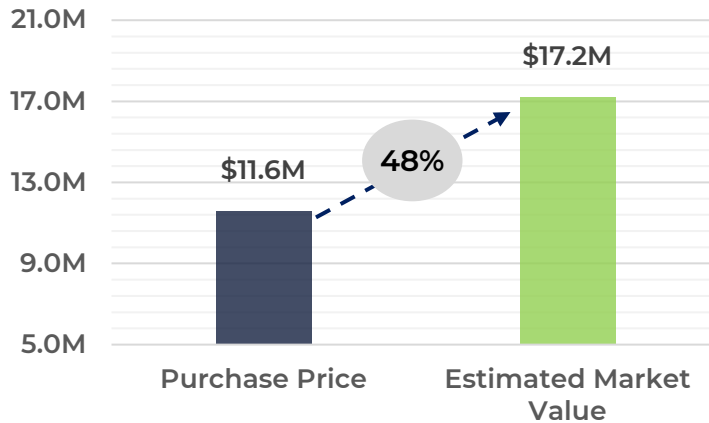
The table below showcases the historical distributions and a forecast for 2026:

Year	Q1	Q2	Q3	Q4	Total	Cumulative Distributions	% of investment Returned
2018-2023	\$135,000	\$285,000	\$237,669	\$4,170,942	\$4,828,612	\$4,828,612	103%
2024	\$75,000	\$75,000	\$75,000	\$245,000	\$470,000	\$5,298,612	113%
2025	\$80,000	\$80,000	\$80,000	\$260,000	\$500,000	\$5,798,612	123%
2026 Outlook	\$80,000	\$80,000	\$80,000	\$260,000	\$500,000	\$6,298,612	134%

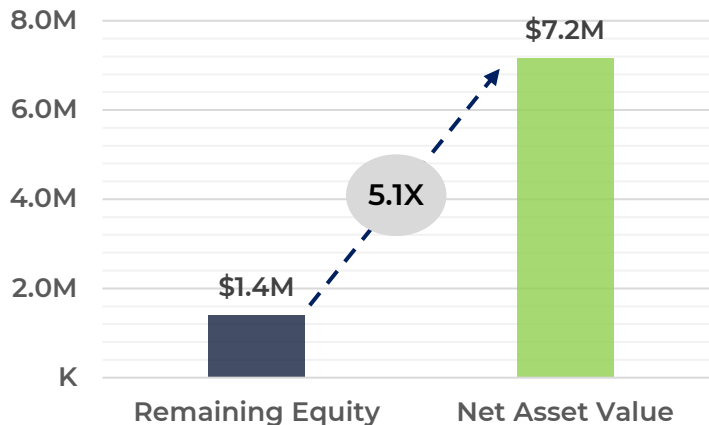
+ Property Performance

Valuation and Net Asset Value

The Estimated Market Value was completed by an independent third-party appraisal firm in 2024. The valuation concluded by the appraiser was \$17.2 million, representing an 48% increase from the purchase price of \$11.6 million.



The Net Asset Value for the Property is \$7.2 million.



Estimated Market Value In March 2024, the Property received an independent external appraisal that valued the Property at \$17,220,000.

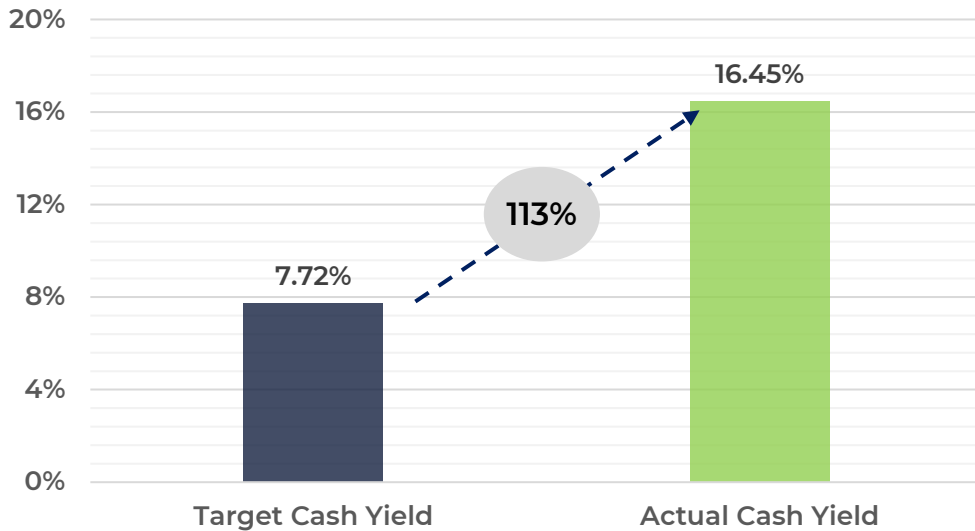
Remaining Equity is the Initial Equity Contributions less any refinancing proceeds.

The Net Asset Value (NAV) is calculated using the Estimated Market Value and subtracting (i) the outstanding principal amounts of all loans, and (ii) current liabilities, and adding (iii) any cash on hand as of December 31, 2025. Note that these figures do not reflect future capital expenditures, nor do they incorporate any tax attributes of the units. NAV is an estimated value and may not be reflective of present or future values.

+ Property Performance

Average Annual Cash Yield

The chart below showcases the Average Annual Cash Yield as of December 31, 2025, compared to the targeted return for this time set out during the acquisition. The initial target for Average Annual Cash Yield was 7.72%, following the distribution with this report the Actual Average Annual Cash Yield to date is 16.45%.

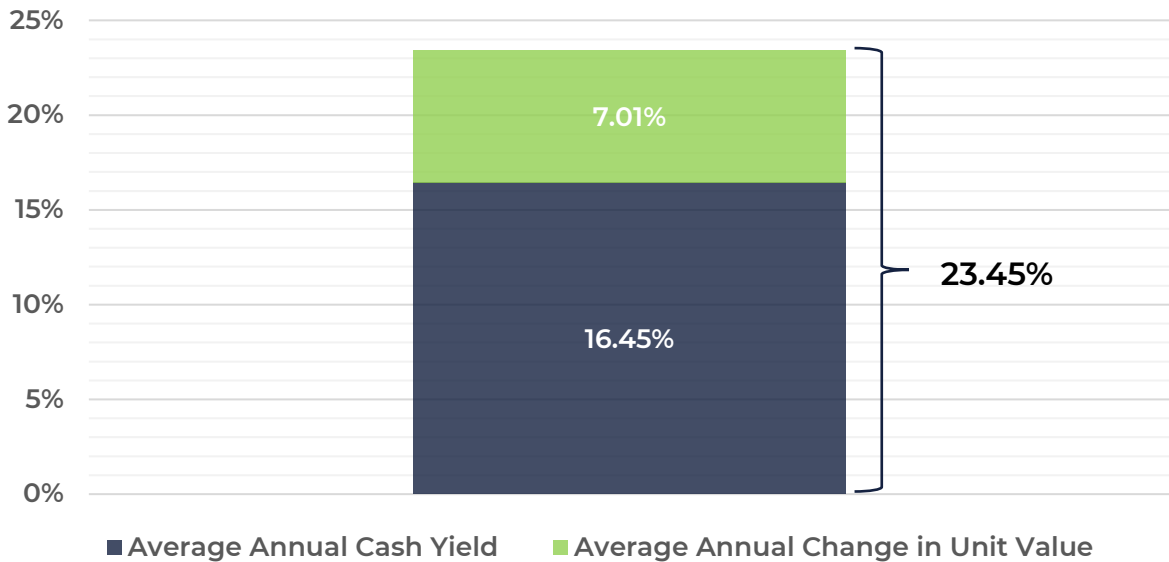


Average Annual Cash Yield is calculated by dividing total cash distributed (which includes income, refinancing and capital distributions) by the initial equity investment and then further divided by the holding period (from acquisition to Dec 31, 2025).

+ Property Performance

Average Annual Total Return

In addition to generating an Average Annual Cash Yield, this investment has also experienced an Average Annual Appreciation in unit value of 7.01%. The growth has resulted in an Average Annual Total Return of 23.45%.



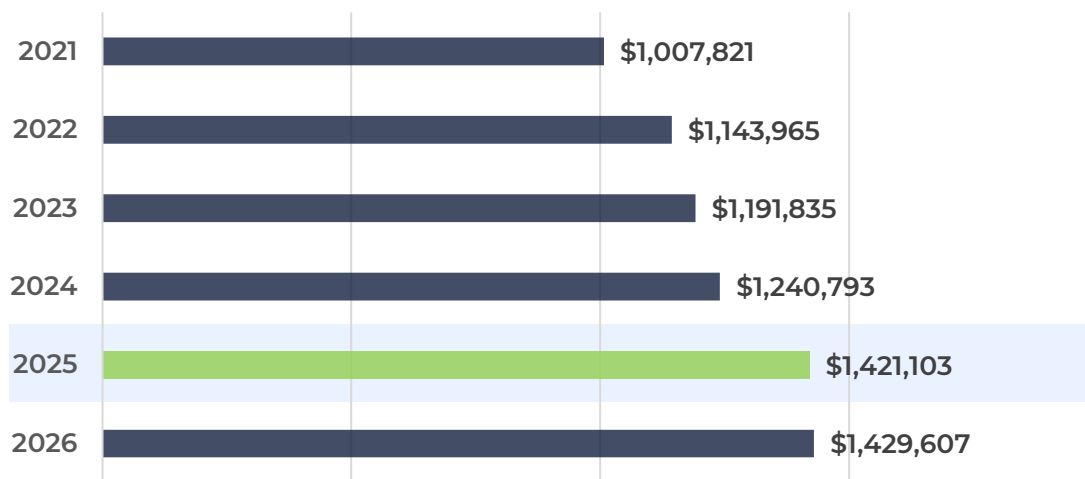
Average Annual Change in Unit Value is calculated by dividing Net Asset Value (NAV) by initial equity invested, which is further divided by the holding period (from acquisition to Dec 31, 2025).

Average Annual Total Return is calculated by adding the Average Annual Cash Yield and the Average Annual Change in Unit Value.

+ Property Performance

NOI Overview

Below is the Net Operating Income (NOI) for the last 5 years and a forecast for 2026:



2025 Commentary

In 2025, the Property's NOI increased by \$73,766 or 5.47% compared to the prior year after adjusting for non-cash expenses for both years. The growth was driven by contractual rent escalations within existing leases, along with a lease renewal that took effect in 2025 at rental rates that exceeded forecasted amount.

2026 Outlook

In 2026, NOI is forecasted at \$1,429,607, reflecting contractual rent increases and a lease executed in Q1, 2025 that takes effect in 2026 that included an 11% increase in rental rate.

Net Operating Income (NOI): Total income generated by the Property subtracting its operating expenses, excluding capital expenditures and debt service. As of 2025, NOI is adjusted to exclude non-cash expenses. Note that this was not included in the past year's NOI but will be on a go-forward basis. Although the chart above indicates a 14.5% increase over 2024, that is partially as a result of the adjustment to the 2025 calculation. On a like-for-like basis, the NOI increase over 2024 would be 5.47%.

+ Property Performance

Debt Overview

As of December 31, 2025, the Property has the following debt metrics:

Purchase Price	\$11.6M
Appraised Value	\$17.2M
Total Debt	\$10.6M
Loan to Value	62%
Interest Rate	3.21%

The Property's existing mortgage was placed in 2021 at \$11.64M on a 7-year term with a 30-year amortization. As of December 31, 2025, principal remaining is approximately \$10.67M, reflecting principal paydown of approximately \$967,000 since origination. The current debt facility matures in January 2029.

302 Legget – Exterior Photo



+ Leasing Overview

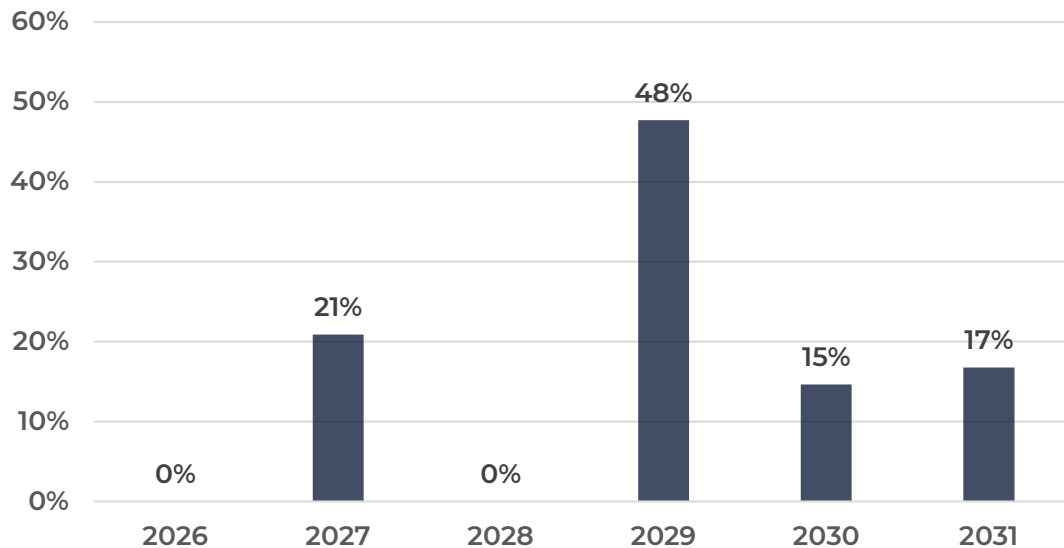
2025 Leasing Review

Below are some of the notable achievements in terms of occupancy, new lease agreements, and overall Property lease metrics as at year-end 2025:

- A tenant representing 17% of the Property's total Gross Leasable Area (GLA) was renewed with an 11% increase in rent, with annual escalations thereafter.
- Occupancy Rate: 100%.
- Property Weighted Average Lease Term (WALT): 3.6 years.
- Property Weighted Average Base Rent: \$15.05 per square foot.

Lease Expiry Profile

The chart below illustrates the upcoming lease expirations at the Property, broken down as a percentage of GLA, spanning the next 5 years.



Industrial Market Update

The Kanata industrial market has continued as one of Ottawa's strongest performing submarkets in 2025, with a vacancy rate at 3.8%, increasing from 2.7% in 2024, and an average asking rent of \$18.03 per square foot, up from \$17.73 per square foot in 2024. (CBRE Q4, 2025 Industrial Market Report).

+ Market Updates

Capital Expenditures

During the year select heating and air conditioning equipment was replaced at the Property. This was completed with minimal disruption to the tenants.



Future Capital Expenditures

In the near term, we intend to complete upgrades to the Property's exterior and landscaping to improve curb appeal. These improvements are designed to align the Property with current tenant expectations.

Financial Statement

Enclosed you will find the notice to reader package prepared by the Bookkeeping Bureau.

+ Disclaimer

Certain statements contained in this report may contain forward-looking statements and forward-looking information (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "potential", "continue", "target", "committed", "priority", "remain", "strategy", or the negative of these terms or other comparable terminology, and by discussions of strategies that involve risks and uncertainties. Such forward-looking statements contained in this report may include, among other things, statements regarding: the general partner's expectations with regard to market demand and rent growth; the partnership's growth strategy; planned growth of the property portfolio; future acquisitions; including the amount expected to be invested in such acquisitions, the location of such acquisitions, improvements in profitability or rent growth of the portfolio, property developments, including cost and timing of completion thereof, and the general partner's expectations regarding capital improvement costs; portfolio growth, debt maintenance or reductions, and return on investment; maintenance costs; the effect of completed developments on the portfolio; interest rate fluctuations; credit availability; financing costs; market values; pace and scope on future acquisitions, construction, development and renovation, renewals and leasing. Readers should be aware that these forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated or implied, or those suggested by any forward-looking statements. Given these uncertainties, readers are cautioned not to rely upon any forward-looking statements contained, or incorporated by reference, in this report. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events contained therein may not occur. Although the general partner believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. While the general partner anticipates that subsequent events and developments may cause its view to change, the general partner does not intend to update or revise any forward-looking statement, whether as a result of new information, future events, circumstances, or such other factors that affect this information.

The general partner makes commercially reasonable efforts to ensure the information presented in this report is accurate, but it is not responsible for any errors and omissions contained in the information included in this report.

FINANCIAL STATEMENTS



302 LEGGET DRIVE LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
(Unaudited - see Compilation Engagement Report)
For the year ended December 31, 2025

The Bookkeeping Bureau Ltd.

200 - 2618 St-Joseph Blvd | Ottawa | Ontario | K1C 1G3 | T 613 424 1101 | F 613 424 5299

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302 LEGGET DRIVE LIMITED PARTNERSHIP
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COMPILATION ENGAGEMENT REPORT

To Management of 302 Legget Drive Limited Partnership,

On the basis of information provided by management, we have compiled the balance sheet of 302 Legget Drive Limited Partnership as at December 31, 2025 and the statements of earnings and statement of partners' equity for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial statements.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with the Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We have not performed an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

The Bookkeeping Bureau Ltd.

The Bookkeeping Bureau Ltd.
Ottawa, March 25, 2026

The Bookkeeping Bureau Ltd.

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302 LEGGET DRIVE LIMITED PARTNERSHIP
BALANCE SHEET
For the year ended December 31, 2025
(Unaudited - see Compilation Engagement Report)

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 935,864	\$ 961,135
Accounts receivable	48,217	8,716
Prepaid expenses	-	270
Construction in progress	11,745	-
	<u>995,826</u>	<u>970,121</u>
LONG-TERM		
Revenue-producing properties <i>(note 3)</i>	10,469,004	10,744,060
Deferred leasing commission <i>(note 4)</i>	307,191	265,790
Deferred finance charges <i>(note 5)</i>	40,618	81,236
Security deposits	12,015	12,671
	<u>10,828,828</u>	<u>11,103,757</u>
	<u>\$ 11,824,654</u>	<u>\$ 12,073,878</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 225,749	\$ 240,070
Tenant deposits	20,000	20,000
Government remittances payable	52,968	53,638
Current portion of mortgage payable <i>(note 6)</i>	266,808	258,451
	<u>565,525</u>	<u>572,159</u>
LONG-TERM		
Long-term tenant deposits	38,564	11,127
Mortgage payable <i>(note 6)</i>	10,406,249	10,673,057
	<u>10,444,813</u>	<u>10,684,184</u>
	<u>11,010,338</u>	<u>11,256,343</u>
PARTNERS' EQUITY		
	<u>814,316</u>	<u>817,535</u>
	<u>\$ 11,824,654</u>	<u>\$ 12,073,878</u>

Approved on Behalf of the Partners:

Signed by:

Christian Jennings

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302 LEGGET DRIVE LIMITED PARTNERSHIP
STATEMENT OF EARNINGS
 For the year ended December 31, 2025
 (Unaudited - see Compilation Engagement Report)

	2025	2024
REVENUE		
Rental income	\$ 2,182,208	\$ 2,072,390
Interest income	54,246	65,896
	<u>2,236,454</u>	<u>2,138,286</u>
EXPENSES		
Amortization of deferred finance charges	40,618	40,618
Amortization of leasing commissions	76,342	74,332
Amortization of revenue-producing properties	424,681	419,536
Bank charges and interest	1,684	1,714
General and administrative expenses	108,247	122,203
Insurance	31,958	19,185
Interest on mortgage payable	344,609	352,704
Property management	90,274	87,645
Professional charges	18,225	2,792
Property taxes	260,330	256,515
Repairs and maintenance	151,972	160,193
Utilities	205,733	186,084
	<u>1,754,673</u>	<u>1,723,521</u>
NET EARNINGS	<u>\$ 481,781</u>	<u>\$ 414,765</u>

302 LEGGET DRIVE LIMITED PARTNERSHIP
STATEMENT OF PARTNERS' EQUITY
For the year ended December 31, 2025
(Unaudited - see Compilation Engagement Report)

Name	Balance, beginning of year	Net earnings	Withdrawals	Balance, end of year
1394804 Ontario Inc.	\$ 73,324	\$ 31,912	\$ (32,125)	\$ 73,111
2490626 Ontario Inc,	73,324	31,912	(32,125)	73,111
A.M. Food Services Ltd.	126,419	54,778	(55,144)	126,053
Adam Mills Holdings Inc.	65,290	28,415	(28,605)	65,100
AYM Real Estate Inc.	83,384	36,289	(36,532)	83,141
B. Holmes Holdings Ltd.	65,290	28,415	(28,605)	65,100
BC Bockstael Holdings Ltd.	65,290	28,415	(28,605)	65,100
Carol Holmes	65,290	28,415	(28,605)	65,100
Chrisken Realty Investments Inc.	(51,041)	40,897	(41,171)	(51,314)
DH (Ottawa) Investments Inc.	(47,162)	11,027	(11,101)	(47,235)
Grant Castle Properties Inc.	133,571	58,135	(58,524)	133,182
Maisonneuve Investments Inc.	73,324	31,912	(32,125)	73,111
McLarty Family Holdings Inc	73,324	31,912	(32,125)	73,111
TH (Ottawa) Investments Inc.	(55,416)	7,437	(7,487)	(55,466)
Walker Family Wealth Ltd.	73,324	31,912	(32,125)	73,111
11189450 Canada Inc.	1	-	-	1
Partners' Equity	\$ 817,535	\$ 481,781	\$ (485,000)	\$ 814,316

302 LEGGET DRIVE LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2025
(Unaudited - see Compilation Engagement Report)

1. LIMITED PARTNERSHIP AND NATURE OF ACTIVITIES

The limited partnership came into agreement on June 5, 2018 pursuant to laws of Ontario and is managed by its general partner, 11189450 Canada Inc. It manages a commercial rental property in Kanata, Ontario.

The partnership is not a taxable entity under the Income Tax Act (Canada). Instead, its income or loss for the year is allocated to the partners, who are responsible for including their share of the partnership's income or loss in their own income tax returns. Accordingly, no provision for income taxes has been made in these financial statements.

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of 302 Legget Drive Limited Partnership as at December 31, 2025, and the statements of earnings and statement of partners' equity for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- prepaid expenses
- construction in process
- revenue-producing properties are recorded at the historical costs and amortized based on rates and methods described in Note 3
- deferred leasing commissions are recorded at the historical costs and amortized based on rates and methods described in Note 4
- deferred finance charges are recorded at the historical costs and amortized based on rates and methods described in Note 5
- security deposits
- accounts payable and accrued liabilities
- tenant deposits
- government remittances payable

302 LEGGET DRIVE LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (Unaudited - see Compilation Engagement Report)

3. REVENUE-PRODUCING PROPERTIES

Revenue-producing properties are accounted at cost. Amortization of revenue-producing properties is calculated using the following rates and methods:

Building	4%	declining balance	
Building improvements	5 - 20 year	straight-line	

	2025			2024
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Land	\$ 1,826,045	\$ -	\$ 1,826,045	\$ 1,826,045
Building	10,347,586	(2,652,900)	7,694,686	8,018,147
Building improvements	1,292,906	(344,633)	948,274	899,869
	\$ 13,466,537	\$ (2,997,533)	\$ 10,469,004	\$ 10,744,060

Amortization of revenue-producing properties is pro-rated on a monthly basis

4. DEFERRED LEASING COMMISSIONS

	2025			2024
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Leasing commissions	\$ 627,088	\$ (319,897)	\$ 307,191	\$ 265,790

Deferred leasing commissions are amortized on a straight line basis over the term of corresponding leases.

302 LEGGET DRIVE LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (Unaudited - see Compilation Engagement Report)

5. DEFERRED FINANCE CHARGES

	2025			2024
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Finance charges	\$ 203,090	\$ (162,472)	\$ 40,618	\$ 81,236

Finance charges were incurred at the time of the mortgage refinancing and are amortized on a straight line basis over five years.

6. MORTGAGE PAYABLE

The partnership has first mortgage with CMLS Financial with an original principal of \$11,640,000 to be repaid over a term of 84 months at current interest rate of 3.208%, repayable in blended monthly instalments of \$50,255, amortized over 30 years, and maturing January 1, 2029. This mortgage is secured with a first priority fixed charge over the land and building, and general security agreement.