



## **Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

## **Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements**

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

The accompanying unaudited condensed interim consolidated financial statements of Yorkton Equity Group Inc. 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# Yorkton Equity Group Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at	September 30 2025	December 31, 2024
<b>Assets</b>		
Non-current assets		
Investment properties (Note 4)	\$ 136,457,423	\$ 134,840,000
Investment	45,550	43,166
Equipment	7,613	16,957
Intangible asset	62,971	56,015
Promissory notes receivable	-	151,569
	<b>136,573,557</b>	<b>135,107,707</b>
Current assets		
Cash and cash equivalents	1,712,407	358,771
Restricted cash	456,732	413,491
Accounts receivable	194,089	205,929
Promissory notes receivable	129,682	-
Due from related party (Note 5)	314,336	434,755
Prepays and deposits	786,840	555,975
	<b>3,594,086</b>	<b>1,968,921</b>
<b>Total assets</b>	<b>\$ 140,167,643</b>	<b>\$ 137,076,628</b>
<b>Liabilities</b>		
Non-current liabilities		
Mortgages payable (Note 8)	\$ 81,288,981	\$ 91,507,321
Convertible debentures (Note 9)	5,338,178	5,082,547
Deferred income taxes	4,082,607	3,577,916
	<b>90,709,766</b>	<b>100,167,784</b>
Current liabilities		
Mortgages payable - current portion (Note 8)	13,409,521	3,548,407
Accounts payable and accrued liabilities (Note 6)	955,235	856,499
Operating loan (Note 7)	369,427	-
Due to related party (Note 5)	62,425	284,733
Loan payable to related party (Note 5)	1,400,000	-
Refundable security deposits	647,612	577,232
	<b>16,844,220</b>	<b>5,266,871</b>
<b>Shareholders' equity</b>		
Common shares (Note 13(a))	14,226,358	14,234,263
Warrants (Note 13(c))	1,435,775	1,435,775
Contributed surplus	1,536,148	1,537,428
Equity component of convertible debentures (Note 9)	1,063,360	1,063,360
Retained earnings	14,352,016	13,371,147
	<b>32,613,657</b>	<b>31,641,973</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 140,167,643</b>	<b>\$ 137,076,628</b>

See accompanying notes to the condensed interim consolidated financial statements

Approved by the Board of Directors:

(signed) "Ben Lui"  
Director (signed by)

(signed) "Jason Theiss"  
Director (signed by)

## Yorkton Equity Group Inc.

### Condensed Interim Consolidated Statements of Income and Comprehensive Income

(Expressed in Canadian Dollars)

(Unaudited)

For the three and nine months ended September 30,	Three Months		Nine Months	
	2025	2024	2025	2024
<b>Rental revenue (Note 10)</b>	\$ 2,619,863	\$ 2,408,867	\$ 7,674,319	\$ 7,328,809
<b>Direct operating costs (Note 11)</b>	(1,066,411)	(966,258)	(3,167,801)	(3,003,945)
<b>Net operating income</b>	<b>1,553,452</b>	<b>1,442,609</b>	<b>4,506,518</b>	<b>4,324,864</b>
<b>Expenses</b>				
Financing costs (Note 12)	1,240,638	1,221,134	3,696,545	3,674,274
General and administration (Note 11)	361,577	273,084	781,671	753,469
Depreciation and amortization	4,714	4,994	12,590	11,579
	<b>1,606,929</b>	<b>1,499,212</b>	<b>4,490,806</b>	<b>4,439,322</b>
<b>Income (loss) before other income</b>	<b>(53,477)</b>	<b>(56,603)</b>	<b>15,712</b>	<b>(114,458)</b>
<b>Other income</b>				
Fair value adjustment on investment properties (Note 4)	100,000	1,470,918	1,424,557	2,868,936
Interest income	16,377	96	45,291	12,361
<b>Income before income taxes</b>	<b>62,900</b>	<b>1,414,411</b>	<b>1,485,560</b>	<b>2,766,839</b>
<b>Income tax expense</b>				
Deferred income tax expense	-	(228,615)	(504,691)	(533,640)
<b>Net income and comprehensive income</b>	<b>\$ 62,900</b>	<b>\$ 1,185,796</b>	<b>\$ 980,869</b>	<b>\$ 2,233,199</b>
<b>Income per common share</b>				
Basic and diluted	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.02
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	112,657,020	112,680,574	112,672,636	112,680,574

See accompanying notes to the condensed interim consolidated financial statements

## Yorkton Equity Group Inc.

### Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Common Shares (Note 13(a))	Warrants (Note 13(c))	Contributed Surplus	Equity component of convertible debentures (Note 9)	Retained Earnings	Equity
Balance, December 31, 2023	\$ 14,234,263	\$ 1,435,775	\$ 1,503,320	\$ 1,063,360	\$ 6,803,866	\$ 25,040,584
Share-based payment (Note 13(a))	-	-	34,108.00	-	-	34,108
Net income and comprehensive income	-	-	-	-	2,233,199	2,233,199
Balance, September 30, 2024	\$ 14,234,263	\$ 1,435,775	\$ 1,537,428	\$ 1,063,360	\$ 9,037,065	\$ 27,307,891

	Common Shares (Note 13(a))	Warrants (Note 13(c))	Contributed Surplus	Equity component of convertible debentures (Note 9)	Retained Earnings	Equity
Balance, December 31, 2024	\$ 14,234,263	\$ 1,435,775	\$ 1,537,428	\$ 1,063,360	\$ 13,371,147	\$ 31,641,973
Repurchase of common shares (Note 13(a))	(7,905)	-	(1,280)	-	-	(9,185)
Net income and comprehensive income	-	-	-	-	980,869	980,869
Balance, September 30, 2025	\$ 14,226,358	\$ 1,435,775	\$ 1,536,148	\$ 1,063,360	\$ 14,352,016	\$ 32,613,657

See accompanying notes to the condensed interim consolidated financial statements

**Yorkton Equity Group Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

For the three and nine months ended September 30,	Three Months		Nine Months	
	2025	2024	2025	2024
<b>Operating Activities</b>				
Net income and comprehensive income	\$ 62,900	\$ 1,185,796	\$ 980,869	\$ 2,233,199
Adjustments for:				
Fair value adjustment on investment properties	(100,000)	(1,470,918)	(1,424,557)	(2,868,936)
Financing costs	1,038,928	952,779	3,368,699	3,379,750
Interest accretion	74,607	64,790	218,849	192,845
Deferred income tax expense	-	228,615	504,691	533,640
Share-based compensation	-	34,108	-	34,108
Depreciation and amortization	4,714	4,994	12,590	11,579
Accrued interest receivable	-	-	(2,384)	(2,334)
Accrued rent receivable	(7,105)	-	(16,052)	-
Restricted cash	(5,995)	(7,209)	(43,241)	(31,629)
Bad debt (recovery) expense	51,602	40,979	(114,976)	84,351
	<b>1,119,651</b>	<b>1,033,934</b>	<b>3,484,488</b>	<b>3,566,573</b>
Change in non-cash operating working capital (Note 14(a))	<b>(162,902)</b>	<b>145,305</b>	<b>94,821</b>	<b>(97,526)</b>
<b>Cash provided by operating activities</b>	<b>956,749</b>	<b>1,179,239</b>	<b>3,579,309</b>	<b>3,469,047</b>
<b>Financing Activities</b>				
Repurchase of common shares for cancellation	(9,185)	-	(9,185)	-
Mortgage repayments	(293,202)	(263,396)	(873,606)	(880,542)
Increase in operating loan	369,427	-	369,427	-
Proceeds from loan payable to related party (Note 5)	-	-	1,400,000	-
Advances from related parties (Note 5)	405,017	136,733	470,017	136,733
Repayments to related parties (Note 5)	(502,700)	(3,904)	(719,700)	(3,904)
Interest paid	(842,297)	(767,790)	(2,788,162)	(2,824,766)
<b>Cash used in financing activities</b>	<b>(872,940)</b>	<b>(898,357)</b>	<b>(2,151,209)</b>	<b>(3,572,479)</b>
<b>Investing Activities</b>				
Improvements to investment properties (Note 4)	(25,325)	(53,029)	(176,814)	(160,755)
Acquisition of equipment	-	-	-	(10,000)
Acquisition of intangible asset	(5,614)	(6,344)	(18,069)	(6,344)
Advances to related parties (Note 5)	(131,547)	(238,169)	(502,073)	(510,984)
Repayments from related parties (Note 5)	189,557	184,229	622,492	490,423
<b>Cash used in investing activities</b>	<b>27,071</b>	<b>(113,313)</b>	<b>(74,464)</b>	<b>(197,660)</b>
<b>Net increase (decrease) in cash</b>	<b>110,880</b>	<b>167,569</b>	<b>1,353,636</b>	<b>(301,092)</b>
Cash and cash equivalents, beginning of period	<b>1,601,527</b>	<b>306,344</b>	<b>358,771</b>	<b>775,005</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,712,407</b>	<b>\$ 473,913</b>	<b>\$ 1,712,407</b>	<b>\$ 473,913</b>

See accompanying notes to the condensed interim consolidated financial statements

## **YORKTON EQUITY GROUP INC.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

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### **1. Nature of Business**

Yorkton Equity Group Inc. (the “Company” or “Yorkton”) was incorporated on March 4, 2016 under the Business Corporations Act (Alberta). The Company is a growth-oriented real estate company which primarily owns a portfolio of multi-unit residential rental properties in Alberta and British Columbia.

The Company’s shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “YEG”. The Company’s registered office is located at Suite 3165, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4.

### **2. Basis of Presentation**

#### **a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (the “IASB”). Accordingly, certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed and accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2024 and 2023.

These condensed interim consolidated financial statements were authorized for issue by the Company’s board of directors on November 18, 2025.

#### **b) Basis of Measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for investment properties that have been measured at fair value. These condensed interim consolidated financial statements were prepared on a going concern basis.

#### **c) Functional Currency**

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

#### **d) Use of Management Critical Judgment, Estimates and Assumptions**

The preparation of condensed interim consolidated financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses recorded during the reporting period. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The critical accounting estimates and judgments made by management in applying the Company’s accounting policies are the same as those described in Note 2 of the Company’s consolidated financial statements for the years ended December 31, 2024 and 2023.

## YORKTON EQUITY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

### 3. Summary of Material Accounting Policies

The material accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those described in Note 3 of the Company's consolidated financial statements for the years ended December 31, 2024 and 2023.

#### *a) Accounting standards and amendments issued but not yet adopted*

The following standard is effective for year-ends starting on or after January 1, 2027 and has not been adopted by the Company:

#### **IFRS 18 Presentation and disclosure in the financial statements (replacement of IAS 1)**

This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information. The new requirements concerning the statement of income and comprehensive income include requiring entities to classify income and expenses included in the statement of income and comprehensive income in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. Management is assessing the impact of the standard.

### 4. Investment Properties

	Land Held for Development	Commercial Property	Residential Properties	Total
Balance, December 31, 2023	\$ 5,600,000	\$ 6,300,000	\$ 114,730,000	\$ 126,630,000
Additions to investment properties	-	75,401	264,057	339,458
Straight-line rents included in revenue	-	(76,827)	-	(76,827)
Fair value adjustment	-	51,426	7,895,943	7,947,369
Balance, December 31, 2024	5,600,000	6,350,000	122,890,000	134,840,000
<b>Additions to investment properties</b>	-	<b>34,983</b>	<b>141,831</b>	<b>176,814</b>
<b>Straight-line rents included in reven</b>	-	<b>16,052</b>	-	<b>16,052</b>
<b>Fair value adjustment</b>	-	-	<b>1,424,557</b>	<b>1,424,557</b>
<b>Balance, September 30, 2025</b>	<b>\$ 5,600,000</b>	<b>\$ 6,401,035</b>	<b>\$ 124,456,388</b>	<b>\$ 136,457,423</b>

Included in investment properties is \$131,799 (December 31, 2024 - \$115,747) of rent receivable arising from the recognition of rental revenue on a straight-line basis over the lease terms.

## YORKTON EQUITY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

### 4. Investment Properties (continued)

#### a) Fair Value of Investment Properties

Subsequent to initial recognition at cost, investment properties are recorded at fair value in accordance with IAS 40. As at December 31, 2024, the fair value of investment properties held by the Company were determined through external valuations obtained from independent qualified real estate appraisers who are members of the Appraisal Institute of Canada and have appropriate qualifications and experience in the valuation of the Company's investment properties in the relevant locations. As at September 30, 2025, the Company determined the fair value of its investment properties, as discussed below.

Investment properties measured at fair value in the condensed interim consolidated statement of financial position are categorized by level according to significance of the inputs used in making the measurements.

The Company values its investment property using Level 3 inputs. There have been no transfers during the period between levels.

#### i) Residential Properties

As at December 31, 2024, the residential properties were valued using a combination of the direct capitalization of income method and the direct comparison approach. In applying the direct capitalization of income method, the stabilized net operating income is capitalized at the requisite overall capitalization rate. In applying the direct comparison method (price per unit), the property was compared to recent sales transactions considered to be similar in terms of location, condition, size, and tenancy.

During the nine months ended September 30, 2025, the Company prepared valuations of its residential properties using the direct capitalization of income method. In applying the direct capitalization of income method, the Company used certain key assumptions, including market rents, operating expenses, vacancies, and capitalization rates. The stabilized net operating income and capitalization rate were determined based on internal assessments of available market information related to similar properties in the same geographical region. As at September 30, 2025, the residential properties were valued at \$124,456,388 (December 31, 2024 - \$122,890,000). During the three and nine months ended September 30, 2025, a fair value gain of \$100,000 and \$1,424,557, respectively (2024 - \$1,470,918 and \$2,868,936, respectively) was recorded on the consolidated statement of income and comprehensive income as a result of changes in the fair value of the residential properties.

The weighted average capitalization rates used in determining the fair value of the Company's residential properties at September 30, 2025 are as follows:

	September 30, 2025	December 31, 2024
Kelowna, BC	4.00%	4.00%
Penticton, BC	4.00%	4.00%
Langford, BC	3.73%	3.50%
Fort St. John, BC	6.29%	6.45%
Edmonton, AB	4.81%	4.81%
Weighted average - total	4.81%	4.81%

**YORKTON EQUITY GROUP INC.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**4. Investment Properties** (continued)**a) Fair Value of Investment Properties** (continued)**i) Residential Properties** (continued)

Valuations determined by the direct capitalization income approach method are most sensitive to changes in capitalization rate and stabilized net operating income ("NOI"). The following table summarizes the sensitivity of the fair value of the residential investment properties to changes in net operating income and capitalization rate:

**As at September 30, 2025**

Stabilized net operating income		- 3%	- 1%	Used	+ 1%	+ 3%
		(\$5,808,784)	(\$5,928,553)	(\$5,988,437)	(\$6,048,322)	(\$6,168,091)
Capitalization rate						
- 0.25%	4.56%	\$ 2,882,446	\$ 5,507,989	\$ 6,820,761	\$ 8,133,532	\$ 10,759,075
Used	4.81%	\$(3,733,692)	\$(1,244,564)	\$ -	\$ 1,244,564	\$ 3,733,692
+ 0.25%	5.06%	\$(9,696,278)	\$(7,330,090)	\$(6,146,996)	\$(4,963,902)	\$(2,597,714)

**As at December 31, 2024**

Stabilized net operating income		- 3%	- 1%	Used	+ 1%	+ 3%
		(\$5,728,650)	(\$5,846,767)	(\$5,905,825)	(\$5,964,883)	(\$6,083,000)
Capitalization rate						
- 0.25%	4.56%	\$ 2,854,620	\$ 5,447,293	\$ 6,743,629	\$ 8,039,965	\$ 10,632,638
Used	4.81%	\$(3,686,700)	\$(1,228,900)	\$ -	\$ 1,228,900	\$ 3,686,700
+ 0.25%	5.06%	\$(9,581,105)	\$(7,244,839)	\$(6,076,706)	\$(4,908,573)	\$(2,572,308)

**ii) Commercial Property**

As at December 31, 2024, the commercial property was valued using a combination of the direct capitalization of income method, discounted cash flow method and the direct comparison approach. In applying the direct capitalization of income method, the stabilized net operating income is capitalized at the requisite overall capitalization rate. In applying the discounted cash flow method, the projected cash flows are discounted at an appropriate discount rate to determine the present value. In applying the direct comparison method (price per square foot or price per unit), the property was compared to recent sales transactions considered to be similar in terms of location, condition, size, and tenancy.

As at September 30, 2025, the Company determined the commercial property was valued at \$6,401,035 (December 31, 2024 - \$6,350,000) using a combination of the direct capitalization of income method and the direct comparison approach. There was no material change to the inputs used or sensitivity analysis from the Company's consolidated financial statements for the years ended December 31, 2024 and 2023.

**YORKTON EQUITY GROUP INC.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**4. Investment Properties** (continued)**a) Fair Value of Investment Properties** (continued)**iii) Land Held for Development**

As at December 31, 2024, the land held for development was valued using the direct comparison approach. The land was compared to recent sales transactions of commercial land sales.

As at September 30, 2025, the Company determined the land held for development was valued at \$5,600,000 (December 31, 2024 - \$5,600,000) using the direct comparison approach. There was no material change to the inputs used or sensitivity analysis from the Company's consolidated financial statements for the years ended December 31, 2024 and 2023.

**b) Contractual Lease Payments**

The Company leases space in its commercial property to tenants under operating leases. The leases have various terms between 1 and 5 years. The total future contractual minimum base rent lease payments expected to be received under non-cancellable leases are as follows:

	September 30, 2025	December 31, 2024
One year or less	\$ 277,475	\$ 299,126
2 – 5 years	773,470	1,050,122
	<b>\$ 1,050,945</b>	<b>\$ 1,349,238</b>

**5. Related Parties**

The Company's related parties are its Board of Directors, key management personnel (Chief Executive Officer "CEO" and Chief Financial Officer "CFO", as well as any companies controlled by key management personnel or directors. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

**a) Parent and Ultimate Controlling Party**

The parent and ultimate controlling party of the Company is Lui Holdings Corporation, a company controlled by the CEO of the Company.

**YORKTON EQUITY GROUP INC.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**5. Related Parties** (continued)**b) Key Management Personnel and Director Remuneration**

The remuneration of key management personnel and directors is as follows:

	Three months ended September 30, 2025		2024		Nine months ended September 30, 2025		2024	
Directors' fees	\$	7,650	\$	10,200	\$	25,800	\$	30,600
Professional fees		18,203		15,912		60,501		52,724
	\$	25,853	\$	26,112	\$	86,301	\$	83,324

**c) Related Party Transactions**

During the three and nine months ended September 30, 2025, the Company made advances and repayments to related parties of \$634,247 and \$1,221,773, respectively (2024 – \$242,073 and \$514,888, respectively), and received advances and repayments from related parties of \$594,574 and \$1,092,509, respectively (2024 - \$320,962 and \$627,156, respectively). The amounts were related to the provision of property management services and for working capital purposes.

As at September 30, 2025, \$314,336 was receivable from a company directly controlled by the CEO of the Company (December 31, 2024 - \$434,755) and \$62,425 was payable to a company directly controlled by the CEO of the Company (December 31, 2024 - \$284,733). These amounts are short term, unsecured and have no specific terms of repayment.

On February 7, 2025, the Company entered into a loan agreement with a company, directly controlled by the CEO of the Company, to borrow \$1,400,000. The loan bears interest at an annual rate of 3.05%, with interest payable monthly. The principal is repayable on demand. The Company has invested the loan proceeds in a guaranteed investment certificate ("GIC") at a commensurate rate of interest while it identifies potential investment property acquisitions. During the three and nine months ended September 30, 2025, the Company incurred interest expense of \$11,635 and \$27,375, respectively (2024 - \$Nil), on the loan payable, which remains payable at September 30, 2025, and is included in the amount payable to related party above.

During the three and nine months ended September 30, 2025, the Company incurred property management fees of \$159,900 and \$371,281, respectively (2024 - \$121,690 and \$331,971, respectively), and maintenance charges of \$48,865 and \$163,583, respectively (2024 - \$20,550 and \$84,807, respectively), included in direct operating costs, incurred under property management contracts with a company directly controlled by the CEO of the Company.

During the three and nine months ended September 30, 2025, the Company incurred administrative and accounting fees of \$177,513 and \$427,893, respectively (2024 - \$93,750 and \$234,250, respectively), included in general and administration expense, incurred under an agreement with a company directly controlled by the CEO of the Company, to provide administrative and accounting services.

**YORKTON EQUITY GROUP INC.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**6. Accounts Payable and Accrued Liabilities**

The major components of accounts payable and accrued liabilities are as follows:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Trade payables	\$ 89,714	\$	150,796
Accrued liabilities	129,085		183,861
Accrued interest	641,345		469,715
Rent paid by tenants in advance	88,413		41,125
Sales taxes payable	6,678		11,002
	<b>\$ 955,235</b>	<b>\$</b>	<b>856,499</b>

**7. Operating Loan**

On June 24, 2025, the Company entered into a credit agreement establishing a demand operating loan facility of up to \$700,000. The loan facility bears interest at a variable annual rate equal to the prime rate plus 1.00%. Interest is payable monthly. The principal is repayable on demand and may be prepaid at any time without penalty. The loan facility is secured by a first-ranking security interest over cash and cash equivalents held by the lender up to an aggregate amount of \$1,400,000.

At September 30, 2025, the outstanding balance of the loan facility was \$369,427 (December 31, 2024 – \$Nil).

**8. Mortgages Payable**

As at September 30, 2025, all of the mortgages payable were fixed rate mortgages, which bear an overall weighted average interest rate of 3.51% per annum (December 31, 2024 – 3.51%). Mortgages payable are payable in monthly principal and interest instalments totalling approximately \$378,000 (December 31, 2024 - \$378,000) and mature from the 2026 to 2028 calendar years.

The mortgages payable are secured by specific charges against specific investment properties with a fair value of \$136,457,423 (December 31, 2024 - \$134,840,000), general assignment of rent, general security agreement, a personal guarantee from the CEO of the Company equal to between 40% and 100% of the loan (for certain mortgages payable), and a guarantee and postponement of claim from the Company.

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Total mortgages payable	\$ 96,217,710	\$	97,093,137
Deferred financing costs	(1,519,208)		(2,037,409)
	<b>94,698,502</b>		<b>95,055,728</b>
Mortgages payable – current portion	\$ (13,409,521)	\$	(3,548,407)
Mortgages payable – non-current portion	\$ 81,288,981	\$	91,507,321

**YORKTON EQUITY GROUP INC.**

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**8. Mortgages Payable (continued)**

Estimated future principal payments required to meet mortgage obligations as at September 30, 2025 are as follows:

Years ending September 30,	Amounts
2026	\$ 14,090,164
2027	19,591,324
2028	38,938,215
2029	23,598,007
Total mortgage principal outstanding	96,217,710
Deferred financing costs	(1,519,208)
	<b>\$ 94,698,502</b>

The Company's mortgages payable have long-term amortization periods of up to fifty (50) years and are subject to periodic renewal terms of between one (1) and five (5) years. Mortgages payable of \$13,185,589 have terms that mature within twelve (12) months after the reporting date and therefore have been presented as a current liability in the condensed interim consolidation statement of financial position. Management expects to renew these mortgages payable upon maturity in the normal course of business.

Pursuant to its mortgage payable, 1421526 Alberta Ltd. is required to maintain an annual debt service coverage ratio ("DSCR") of 1.25:1, which is measured and tested at December 31st of each year, during the term of the consolidated mortgage payable, based on the financial results of the previous twelve (12) month period. As at September 30, 2025, this mortgage payable had a balance of \$3,086,730 and for the three and nine months ended September 30, 2025, the actual DSCR was 0.95 and 1.72, respectively. The DSCR of 1.72 during the nine months ended September 30, 2025 was primarily as a result of the recovery of bad debt (Note 11). The mortgage payable has a term of one (1) year and therefore has been presented as a current liability in the condensed interim consolidation statement of financial position.

In addition, the following wholly-owned subsidiaries are required to maintain a certain number of "affordable units", as defined by the Canada Mortgage and Housing Corporation ("CMHC"), based on residential rents at or below 30% of the median renter income in Edmonton, Alberta at the time of the issuance of the Certificate of Insurance ("COI") and with allowable annual increases according to the Consumer Price Index ("CPI") as stipulated by Statistics Canada for Alberta.

Investment property holding company	Mortgage balance as at September 30, 2025	Required minimum affordable units	Actual affordable units at September 30, 2025
1999988 Alberta Ltd.	\$38,989,842	25%	25%
1999999 Alberta Ltd.	\$23,562,294	80%	80%

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**9. Convertible Debentures**

	Nine months ended September 30, 2025		Year ended December 31, 2024	
Balance, start of period	\$	5,201,951	\$	4,941,243
Interest accretion		218,849		260,708
Balance, end of period		5,420,800		5,201,951
Deferred financing costs, end of period		(82,622)		(119,404)
	\$	5,338,178		5,082,547

Estimated future principal payments required to meet convertible debenture obligations as at September 30, 2025 are as follows:

Years ending September 30,	Amounts	
2027	\$	3,005,000
2028		508,000
2029		2,736,000
Total convertible debenture principal outstanding		6,249,000
Allocated to equity		(1,541,802)
Interest accretion		713,602
Deferred financing costs		(82,622)
	\$	5,338,178

**10. Rental Revenue**

Rental revenue consists of the following components:

	Three months ended September 30, 2025		September 30, 2024		Nine months ended September 30, 2025		September 30, 2024	
Residential lease revenue	\$	2,295,458	\$	2,133,490	\$	6,692,666	\$	6,417,291
Commercial lease revenue		89,418		68,465		253,783		205,535
Recovery of operating expenses		117,519		82,940		340,503		312,667
Non-lease revenue <sup>(1)</sup>		117,468		123,972		387,367		393,316
	\$	2,619,863	\$	2,408,867	\$	7,674,319	\$	7,328,809

Note:

<sup>(1)</sup> Non-lease revenue comprises parking and other ancillary services.

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**11. Expenses by Nature**

The components of direct operating costs and general and administrative expenses are as follows:

	Three months ended September 30, 2025		2024		Nine months ended September 30, 2025		2024	
Property tax	\$	<b>291,529</b>	\$	296,594	\$	<b>865,647</b>	\$	828,544
Utilities		<b>206,035</b>		211,946		<b>748,456</b>		779,710
Repairs and maintenance		<b>274,733</b>		165,077		<b>803,005</b>		542,451
Property management fees		<b>193,503</b>		152,700		<b>468,045</b>		425,771
Insurance		<b>72,282</b>		117,844		<b>207,138</b>		347,437
Professional fees		<b>85,047</b>		55,322		<b>316,749</b>		252,241
Administration and accounting fees		<b>177,513</b>		93,750		<b>427,893</b>		234,250
Other		<b>33,346</b>		37,075		<b>96,923</b>		112,405
Bad debt (recovery) expense		<b>51,602</b>		40,979		<b>(114,976)</b>		84,351
Office costs		<b>26,542</b>		14,485		<b>79,117</b>		53,042
Advertising and promotion		<b>4,445</b>		8,094		<b>18,908</b>		20,957
Travel and meetings		<b>11,411</b>		11,368		<b>32,567</b>		42,147
Share-based compensation		-		34,108		-		34,108
	\$	<b>1,427,988</b>	\$	1,239,342	\$	<b>3,949,472</b>	\$	3,757,414

On January 3, 2025, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") to sell certain restaurant assets to an arm's-length party (the "Purchaser") for total consideration of \$483,030. In connection with the Asset Purchase Agreement, on January 10, 2025, the Company entered into a new five (5) year lease agreement with the Purchaser for the restaurant premises located within the Company's commercial investment property. In addition, effective January 31, 2025, the Company and the existing tenant of the restaurant (the "Previous Tenant") entered into a lease surrender agreement (the "Lease Surrender Agreement"), pursuant to which the Previous Tenant surrendered the lease and vacated the restaurant premises prior to the original lease expiry. As the Purchaser and the Previous Tenant are partners, the Company has accounted for these transactions based on their economic substance, which represents the repayment of outstanding accounts receivable, and recognized a net overall recovery of bad debt of \$184,329 during the nine months ended September 30, 2025 related to these transactions.

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**12. Financing Costs**

The components of financing costs are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Mortgage interest	\$ 841,504	\$ 851,178	\$ 2,528,074	\$ 2,568,597
Amortization of deferred financing costs	184,994	184,988	554,983	554,983
Convertible debenture interest	119,982	119,983	357,411	357,111
Interest accretion	74,607	64,790	218,849	192,845
Other interest and financing costs	19,551	195	37,228	738
	\$ 1,240,638	\$ 1,221,134	\$ 3,696,545	\$ 3,674,274

**13. Share Capital**

**Authorized:** Unlimited number of common shares without nominal or par value  
Unlimited number of preferred shares without nominal or par value

**Shares issued:****a) Common Shares**

	Common Shares	
	Number	Amount
Balance, December 31, 2024 and 2023	112,680,574	\$ 14,234,263
Repurchase of common shares for cancellation	(37,500)	(7,905)
<b>Balance, September 30, 2025</b>	<b>112,643,074</b>	<b>\$ 14,226,358</b>

On June 6, 2025, the Company received acceptance from the TSX Venture Exchange to commence a normal course issuer bid (the "NCIB") to repurchase, for cancellation, up to an aggregate of 5,634,028 common shares of the Company. The funds used to repurchase the common shares of the Company pursuant to the NCIB will only come from cash provided by operating activities of the Company. The NCIB will expire on June 5, 2026.

During the nine months ended September 30, 2025, the Company repurchased 44,000 of its common shares under the NCIB at a weighted average price of \$0.20 per common share, for total consideration of \$9,176, including commissions. A total of 37,500 of these common shares were cancelled during the same period.

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**13. Share Capital** (continued)**b) Common Share Purchase Options**

The Company has implemented an omnibus security-based compensation plan, most recently approved at the annual general and special meeting of shareholders held on June 26, 2025, which includes a ten percent (10%) rolling stock option plan (the "Stock Option Plan") together with a ten percent (10%) fixed security-based compensation plan (other than stock options) (the "Equity Compensation Plan").

The continuity of the Company's outstanding and exercisable common share purchase options is as follows:

	Nine months ended September 30, 2025		Year ended December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, December 31, 2024	<b>809,905</b>	<b>\$0.20</b>	559,905	\$0.20
Granted	-	-	250,000	\$0.20
Cancelled	<b>(50,000)</b>	<b>\$0.20</b>	-	-
Outstanding, September 30, 2025	<b>759,905</b>	<b>\$0.20</b>	809,905	\$0.20
Exercisable, September 30, 2025	<b>759,905</b>	<b>\$0.20</b>	809,905	\$0.20

As at September 30, 2025, 559,905 common share purchase options outstanding and exercisable expire on November 18, 2025, and have an exercise price of \$0.20 per common share and 200,000 common share purchase options outstanding and exercisable expire on June 10, 2029, and have an exercise price of \$0.20 per common share.

The Company determines the fair value of the common share purchase options granted using the Black Scholes Model. The weighted average grant date fair value per common share purchase option granted during the year ended December 31, 2024 was \$0.14 using the following assumptions:

	December 31, 2024
Share price	\$0.18
Exercise price	\$0.20
Risk-free interest rate	3.36%
Expected dividend yield	Nil
Estimated common share price volatility	104%
Estimated life in years	4.91

The effects of early exercise were incorporated in the estimate of the expected life of the common share purchase options. Expected volatility was determined based on the historical volatility of the Company's share price over the historical period commensurate with the expected life. Other features of the common share purchase options did not affect the calculation of grant date fair value.

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**13. Share Capital** (continued)**c) Common Share Purchase Warrants**

The continuity of the Company's outstanding common share purchase warrants is as follows:

	Nine months ended September 30, 2025		Year ended December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, September 30, 2025 and December 31, 2024	<b>1,552,800</b>	<b>\$0.60</b>	1,552,800	\$0.60

The following common share purchase warrants are outstanding as at September 30, 2025:

Expiry date	Exercise Price	Warrants exercisable
January 17, 2027	\$0.60	1,488,000
January 25, 2027	\$0.60	64,800
		<b>1,552,800</b>

**14. Supplemental Cash Flow Information****a) Net changes in Non-Cash Working Capital Items**

	Three months ended September 30, 2025		September 30, 2024		Nine months ended September 30, 2025		September 30, 2024	
Prepays and deposits	\$	(150,625)	\$	(50,707)	\$	(230,865)	\$	(209,758)
Accounts receivable		(85,084)		71,442		156,570		30,579
Accounts payable and accrued liabilities		59,181		121,639		98,736		48,480
Refundable security deposits		13,626		2,931		70,380		33,173
	\$	(162,902)	\$	145,305	\$	94,821	\$	(97,526)

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**14. Supplemental Cash Flow Information (continued)****b) Reconciliation of Liabilities Arising from Financing Activities**

	Operating loan	Due to Related Party	Loan Payable to Related Party	Mortgages Payable	Convertible Debentures
Balance, December 31, 2023	\$ -	\$ 3,904	\$ -	\$ 95,531,959	\$ 4,772,795
Advances	-	296,733	-	-	-
Amortization of deferred financing costs	-	-	-	690,934	49,044
Interest accretion	-	-	-	-	260,708
Repayments	-	(15,904)	-	(1,167,165)	-
Balance, December 31, 2024	-	284,733	-	95,055,728	5,082,547
<b>Accrued interest</b>	-	<b>27,375</b>	-	<b>(1,822)</b>	-
<b>Advances</b>	<b>955,957</b>	<b>470,017</b>	<b>1,400,000</b>	-	-
<b>Amortization of deferred financing costs</b>	-	-	-	<b>518,201</b>	<b>36,782</b>
<b>Interest accretion</b>	-	-	-	-	<b>218,849</b>
<b>Repayments</b>	<b>(586,530)</b>	<b>(719,700)</b>	-	<b>(873,605)</b>	-
<b>Balance, September 30, 2025</b>	<b>\$ 369,427</b>	<b>\$ 62,425</b>	<b>\$ 1,400,000</b>	<b>\$ 94,698,502</b>	<b>\$ 5,338,178</b>

**15. Financial Instruments****a) Fair Value**

Financial instruments include cash and cash equivalents, restricted cash, accounts receivable, promissory notes receivable, due from related party, investment, refundable security deposits, mortgages payable, convertible debentures, operating loan, due to related party, loan payable to related party and accounts payable and accrued liabilities.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

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**15. Financial Instruments (continued)****a) Fair Value (continued)**

The fair values of the Company's financial instruments are presented in the table below:

	September 30, 2025	December 31, 2024
<b>Financial Assets Measured at Amortized Cost:</b>		
Cash and cash equivalents	\$ 1,712,407	\$ 358,771
Restricted cash	\$ 456,732	\$ 413,491
Accounts receivable	\$ 194,089	\$ 205,929
Promissory notes receivable	\$ 129,682	\$ 151,569
Investment	\$ 45,550	\$ 43,166
Due from related party	\$ 314,336	\$ 434,755
<b>Financial Liabilities Measured at Amortized Cost:</b>		
Accounts payable and accrued liabilities	\$ 955,235	\$ 856,499
Operating loan	\$ 369,427	\$ -
Refundable security deposits	\$ 647,612	\$ 577,232
Due to related party	\$ 62,425	\$ 284,733
Loan payable to related party	\$ 1,400,000	\$ -
Mortgages payable	\$ 96,217,710	\$ 97,093,137
Convertible debentures	\$ 6,249,000	\$ 6,249,000

The fair value of cash and cash equivalents, restricted cash, accounts receivable, promissory notes receivable, investment, due from related party, accounts payable and accrued liabilities, operating loan, refundable security deposits, due to related party and loan payable to related party approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair values of mortgages payable and convertible debentures are determined using level 2 measurements by discounting the future contractual cash flows under the current financing arrangements at a discount rate that represents an approximation to the borrowing rates presently available to the Company for debts with similar terms to maturity.

The nature of these financial instruments and the Company's operations expose the Company to certain principal financial risks. The principal financial risks to which the Company is exposed are described below.

**b) Financial Risk Management**

The Company's activities are exposed to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

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**15. Financial Instruments (continued)****b) Financial Risk Management (continued)****i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate profile of the Company's interest-bearing financial instruments are as follows:

	September 30, 2025	December 31, 2024
<b>Fixed-rate instruments</b>		
Loan payable to related party	\$ 1,400,000	\$ -
Mortgages payable	96,217,710	97,093,137
Convertible debentures	6,053,000	6,053,000
	<b>\$ 103,670,710</b>	<b>\$ 103,146,137</b>
<b>Variable-rate instruments</b>		
Operating loan	\$ 369,427	\$ -
Convertible debentures	196,000	196,000
	<b>\$ 565,427</b>	<b>\$ 196,000</b>

The Company does not account for any fixed-rate financial instruments at fair value through profit or loss ("FVTPL"). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company is susceptible to interest rate cash flow risk on variable-rate financial instruments. A reasonably possible change of 1% in market interest rates would, all else being equal, increase or decrease net earnings for the three and nine months ended September 30, 2025 by approximately \$1,400 and \$4,200, respectively (2024 - \$500 and \$1,500, respectively).

**ii) Credit Risk**

The Company is exposed to credit risk due to unexpected losses that could occur if a tenant fails to satisfy its lease obligations, if a borrower fails to repay on the promissory notes receivable or if the related parties fail to repay on the amount due from related parties. Credit risk for the Company primarily arises from the accounts receivable from tenants and the promissory notes receivable. The Company's maximum exposure to credit risk is equal to the carrying value of the financial asset.

**Residential Investment Properties**

The Company attempts to minimize possible risks by attracting tenants with good credit, limiting exposure to any one tenant and collecting security deposits from tenants. As at September 30, 2025, total rent due from residential tenants was \$47,323 (December 31, 2024 - \$45,518) of which rent due from current tenants was \$46,974 (December 31, 2024 - \$45,518) and from former tenants was \$349 (December 31, 2024 - \$Nil).

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**15. Financial Instruments (continued)****b) Financial Risk Management (continued)****ii) Credit Risk (continued)**Residential Investment Properties (continued)

The aging of accounts receivable for the residential investment properties is as follows:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Current	\$ 64,445	\$	15,678
31-90 days	48,554		10,035
90 + days	10,619		19,805
	<b>123,618</b>		<b>45,518</b>
Allowance for doubtful accounts	<b>(47,674)</b>		-
	<b>\$ 75,944</b>	<b>\$</b>	<b>45,518</b>

Commercial Investment Property

For the commercial investment property, as at September 30, 2025, approximately 75% (December 31, 2024 – 80%) of accounts receivable is from two (2) tenants (December 31, 2024 – two (2) tenants).

In addition, during the three and nine months ended September 30, 2025, 72% and 80%, respectively (2024 – 78% and 79%, respectively), of commercial rental revenue is from two (2) tenants (2024 – two (2) tenants).

The aging of accounts receivable for the commercial investment property is as follows:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Current	\$ 20,183	\$	51,625
31-90 days	3,480		577,614
90 + days	169,946		62,511
	<b>193,609</b>		<b>691,750</b>
Allowance for doubtful accounts	<b>(75,464)</b>		(531,339)
	<b>\$ 118,145</b>	<b>\$</b>	<b>160,411</b>

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**15. Financial Instruments (continued)****b) Financial Risk Management (continued)****ii) Credit Risk (continued)**Commercial Investment Property (continued)

As at December 31, 2024, the previous promissory note, due from the Previous Tenant, was in default and the Company had not demanded on its repayment rights. A cumulative provision for bad debts of \$98,431 had been taken on the promissory note.

During the nine months ended September 30, 2025, the Company entered into the Asset Purchase Agreement and a new lease with the Purchaser for the restaurant premises in the commercial investment property and the Previous Tenant of the restaurant surrendered its lease (Note 11). As a result of these transactions, the previous promissory note was settled and as at September 30, 2025, new promissory notes receivable were outstanding from the Purchaser and are personally guaranteed by a shareholder of the Purchaser. The promissory notes are due as follows:

- \$50,000 – Due on February 28, 2025. This promissory note is in default; however, the Company has not yet demanded on its repayment rights.
- \$93,030 – Payable within thirty (30) days of demand by the Company, absent such demand, due on November 30, 2025.
- \$24,151 – Due on July 31, 2025. This promissory note is in default; however, the Company has not yet demanded on its repayment rights.

During the three and nine months ended September 30, 2025, the Company recorded a reserve for bad debt of \$12,500 and \$37,500, respectively (2024 - \$Nil), on the above promissory notes.

Other

The amount due from a related party is due from a company directly controlled by the CEO and director of the Company, and the credit risk is considered to be minimal.

In relation to cash and cash equivalents and restricted cash, the Company believes that its exposure to credit risk is minimal as the Company only places its cash and cash equivalents and restricted cash with reputable Canadian financial institutions.

The movement in the allowance for doubtful accounts in respect of accounts receivable and promissory notes receivable above, during the nine months ended September 30, 2025 was as follows:

		<b>Promissory notes receivable</b>		<b>Accounts receivable</b>
Balance at December 31, 2024	\$	<b>98,431</b>	\$	<b>531,339</b>
Amounts written off		<b>(98,431)</b>		<b>(476,030)</b>
Allowance for doubtful accounts		<b>37,500</b>		<b>67,829</b>
Balance at September 30, 2025	\$	<b>37,500</b>	\$	<b>123,138</b>

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### 15. Financial Instruments (continued)

#### b) Financial Risk Management (continued)

##### iii) Liquidity Risk

The Company's exposure to liquidity risk is dependent on generating rental revenue to sustain operations. The Company controls liquidity risk by managing working capital and cash flows. As at September 30, 2025, the Company's contractual obligations for its non-derivative financial liabilities consists of accounts payable and accrued liabilities of \$955,235 (December 31, 2024 - \$856,499), an operating loan of \$369,427 (December 31, 2024 - \$Nil) and refundable security deposits of \$647,612 (December 31, 2024 - \$577,232) that have a contractual maturity in the 2025 year. For the amounts due to related party of \$62,425 (December 31, 2024 - \$284,733), \$27,375 is overdue, as disclosed in Note 5 (December 31, 2024 - \$Nil), and \$35,050 has no formal terms of repayment (December 31, 2024 - \$284,733). The loan payable to related party is due on demand as disclosed in Note 5. The mortgages payable have terms maturing as disclosed in Note 8. The convertible debentures have terms maturing as disclosed in Note 9.

### 16. Capital Management

The primary objectives of the Company's capital management strategy are to:

- Provide an adequate return to its shareholders;
- Provide adequate and efficient funding for operations;
- Finance growth; and
- Preserve financial flexibility to benefit from potential opportunities as they arise.

The capital structure of the Company consists of certain liabilities and equity as follows:

	September 30, 2025	December 31, 2024
Mortgages payable	\$ 94,698,502	\$ 95,055,728
Convertible debentures	5,338,178	5,082,547
Operating loan	369,427	-
Due to related party	62,425	284,733
Loan payable to related party	1,400,000	-
Shareholders' equity	32,613,657	31,641,973
	<b>\$ 134,482,189</b>	<b>\$ 132,064,981</b>

In managing capital, the Company estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities. Historically, funding for the Company's plan is primarily managed through its rental activities and through obtaining financing. There is no assurance that funds will be made available to the Company when required. There have been no changes to the Company's capital management policies during the nine months ended September 30, 2025.

Certain individual investment property holding companies are required to maintain mortgage covenants which are assessed by the lender on a periodic basis (Note 8).

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(Unaudited)

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### **17. Subsequent Events**

On October 16, 2025, the Company removed all buyer's conditions for the acquisition of "The Crystallina", a one hundred and eighty-four (184) unit multi-family residential complex constructed in 2016 and comprising of three condominium quality buildings and a free standing amenity building, situated on approximately 3.81 acres of land located in the Crystallina Nera East neighborhood of Edmonton, Alberta with a purchase price of \$46,000,000. A CMHC insured mortgage of approximately \$44,300,000, inclusive of financing costs, has been approved by the CMHC for The Crystallina. A commitment letter with a lender has been secured, providing for a fifty (50)-year amortization period and an interest rate to be fixed prior to closing, not to exceed 4% per annum. The Company has paid non-refundable deposits totaling \$1,000,000. The remaining amount of the purchase price, subject to the usual adjustments, will be paid on the closing date by a combination of cash and the CMHC insured bank mortgage. In connection with the acquisition, the Company incorporated 2728343 Alberta Inc. to hold the property. In addition, as a condition of the CMHC insured bank mortgage, 2728343 Alberta Inc. will be required to maintain a minimum of 80% of the units in The Crystallina as "affordable units", as defined by the CMHC, based on residential rents at or below 30% of the median renter income in Edmonton, Alberta at the time of the issuance of the COI and with allowable annual increases according to the CPI as stipulated by Statistics Canada for Alberta.

On October 20, 2025, the Company paid the balance of the operating loan (Note 7) and closed the facility.

On October 20, 2025, the Company cancelled 6,500 of its common shares that had been repurchased under the NCIB during September 2025 (Note 13(a)).

In October 2025, the Company repurchased 8,500 of its common shares under the NCIB at a weighted average price of \$0.19 per common shares for a total cost of \$1,632, including commission. The repurchased common shares will be cancelled.

On November 18, 2025, 559,905 common share purchase options with an exercise price of \$0.20 per common share expired unexercised.