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**HALMONT** PROPERTIES  
CORPORATION

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**Year Ended  
December 31, 2024**

## Forward-Looking Information

This report contains forward-looking information concerning the Company's business and operations. The words "expects", "believes", "continue", "intends", "objective", "likely", "estimates", and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "can", "may", "will", "would", "should" or "could" are predictions of or indicate future events, trends or prospects and which do not relate to historical matters or identify forward-looking information. Forward-looking information in this report includes, among others, differences related to equity accounted investments as a result of the implementation of International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) the value of our investments, future income taxes, our ability to generate stable income returns and capital appreciation, fund cash requirements, finance our obligations, determine fair values and other statements with respect to the Company's beliefs, outlooks, plans, expectations and intentions.

Although the Company believes that the anticipated future results or achievements expressed or implied by the forward-looking information and statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking information and statements because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking information and statements.

Factors that could cause actual results to differ materially from those contemplated or implied by the forward-looking information include general economic conditions, the behavior of financial markets including fluctuations in interest and exchange rates, the availability of equity and debt financing and other risks and factors detailed from time to time in the Company's documents filed with the Canadian securities regulators.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any forward-looking information or statements, whether written or oral, that may be as a result of new information, future events or otherwise.

# Report to Shareholders

In 2024, we substantially completed the transition in the quality and nature of our commercial properties and forest assets, a process initiated four years ago. During this period, we more than doubled our equity base, and increased the fully diluted book value of our common shares from 60¢ per share to 92¢ per share.

Our real estate portfolio experienced significant activity during the year. We sold our remaining heritage office building and reinvested the proceeds—along with funds received from prior asset sales—into institutionally occupied buildings and forest property assets.

One notable property transaction was the acquisition of a 50% interest in 25 Dockside Drive, Toronto, through a joint venture with George Brown College. This property, located adjacent to the College's existing waterfront buildings, effectively doubled the size of its Waterfront campus. Another notable transaction was the acquisition of a 37.5% interest in 2 Queen East, Toronto, in partnership with Toronto Metropolitan University and Brookfield Property Partners.

Our investment in forest properties also expanded in 2024. We subscribed for an additional \$21.8 million in participating preferred shares of Haliburton Forest, increasing our effective equity ownership to 59%. Additionally, Haliburton further strengthened its operations with the acquisition of the Murry Bros. Lumber Company and its crown land harvesting rights, reinforcing its long-term growth strategy.

We will continue to seek opportunities to increase our equity base to participate in larger and more attractive investment opportunities. Current political and economic disruptions are expected to impact owners of property assets, should their traditional sources of capital no longer be available to them.

Capital initiatives also played a pivotal role in our financial strategy this year. We completed the conversion of our Series I preferred shares into common shares, and issued \$50.0 million Series II preferred shares, which are convertible into 50 million common shares on or prior to December 31, 2034.

As at December 31, 2024, the fully diluted book value of the Company's common shares, assuming the conversion of capital notes and convertible preferred shares, increased by 14.6% to 92¢ per common share, compared to 80¢ in December 2023.

At year-end, we revalue our real estate and other investments in accordance with IFRS Accounting Standards. Should our shares trade at meaningful discounts to their book value for an extended period, we intend to repurchase them through normal course issuer bids.

Thank you for your continued interest and support.

On behalf of the board,



Heather M. Fitzpatrick  
President & Chief Executive Officer

# Management's Discussion and Analysis

## BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Halmont Properties Corporation (the "Company" or "Halmont") for the year ended December 31, 2024, includes material information up to April 30, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company and related notes for the year ended December 31, 2024.

## OVERVIEW OF THE BUSINESS

Halmont invests directly and indirectly in three distinct property-related investment categories:

- Real Estate: Commercial, residential and industrial properties.
- Forest Properties: Freehold timberlands and related manufacturing facilities.
- Financial Assets: Medium-term property loans and related real estate advisory services.

The capital invested in each of its three principal areas of business was as follows at the end of the year:

| (CAD \$ thousands )<br>FOR THE YEARS ENDED DEC. 31 | 2024              |             | 2023              |             |
|--|-------------------|-------------|-------------------|-------------|
| <b>Real Estate Operations</b>                      |                   |             |                   |             |
| — Commercial Properties                            | \$ 165,164        | 40%         | \$ 56,670         | 22%         |
| — Residential and Industrial Properties            | 54,544            | 13%         | 37,436            | 15%         |
| <b>Forest Properties</b>                           |                   |             |                   |             |
| — Haliburton Forest                                | 74,530            | 18%         | 51,811            | 20%         |
| — Acadian Timber Corp                              | 20,000            | 5%          | 20,000            | 8%          |
| <b>Financial Assets</b>                            |                   |             |                   |             |
| — Property Loans and Other                         | 55,683            | 14%         | 48,709            | 19%         |
| — Corporate Investments                            | 41,848            | 10%         | 38,946            | 15%         |
|  | <b>\$ 411,769</b> | <b>100%</b> | <b>\$ 253,572</b> | <b>100%</b> |

## REAL ESTATE OPERATIONS

The Company presents the financial results of its Real Estate Operations based on the investment strategies and the nature of their underlying inherent characteristics. Therefore, Real Estate Operations are categorized into two groups: Commercial Properties and Residential and Industrial Properties.

### Commercial Properties

Halmont's commercial properties represent approximately 40% of the Company's assets and include:

|                                     |  |
|-------------------------------------|--|
| 2 Queen Street East, Toronto        | Acquired on December 2, 2024, in partnership with Brookfield Property Partners and Toronto Metropolitan University for approximately \$215.0 million. As a joint operator, Halmont recognizes its 37.5% share of the property's assets, liabilities, revenue and expenses. Halmont's share of the acquisition cost is approximately \$83.1 million.  |
| 25 Dockside Drive, Toronto:         | Acquired on April 15, 2024, in partnership with George Brown College for approximately \$240.0 million, with each partner contributing \$40 million for their 50% equity interests, and the balance financed with a \$160.0 million secured term loan. As at December 31, 2024, 25 Dockside had an appraised value of approximately \$251.0 million, bringing Halmont's equity investment to \$46.6 million. |
| 22 College Street, Toronto:         | Leased to the Toronto School of Management and has an appraised value of approximately \$21.2 million.   |
| 221 Yonge Street, Toronto:          | Leased to a retail bank with the building having an appraised value of approximately \$4.9 million, for a total value of \$7.8 million which includes a \$2.9 million attributable to land lease.  |
| 321 - 329 Lakeshore Road, Oakville: | Leased to both retail and residential tenants and has an appraised value of approximately \$6.5 million.   |

During 2024, the Company completed the sale of its 51 Yonge Street office property for \$20.0 million, \$10.0 million of which was received as a vendor-take-back loan.

Total lease income, including equity-accounted income from the Company's joint venture, for the year ended December 31, 2024, was \$10.7 million, compared to \$3.1 million for the same period in the prior year. The increase is primarily attributable to rental income from properties acquired during the year.

Total commercial property expenses for the year ended December 31, 2024, were \$1.7 million, compared to \$1.3 million for the same period in the prior year. Commercial Properties expenses include costs such as property maintenance, property management fees, insurance, taxes and other expenses associated with maintaining income-generating properties.

Halmont aims to enhance the value of its commercial property portfolio by re-tenanting, upgrading physical features, and exploring redevelopment opportunities with neighboring properties. Furthermore, Halmont will partner with institutions to assist in acquiring properties that align with their long-term real estate strategies.

### Residential and Industrial Properties

Halmont's residential and industrial properties represent approximately 13% of the Company's assets and include:

|                                       |   |
|---------------------------------------|---|
| Grandview Estates, Huntsville:        | Halmont has provided \$16.5 million in senior construction loans to the Grandview project. In addition to interest earned on the loans, Halmont holds a 60% net profit partnership interest in the development, which includes 34 units that have been built and sold, and 227 units in an advanced planning stage. |
| Paisley Land Development, Huntsville: | Halmont holds a 20% net profit interest in an 84-acre mixed-use subdivision designated for retail, commercial, and residential development.   |
| MakeSpace Inc.:                       | Halmont has a \$38.0 million investment in two property storage funds managed by MakeSpace Inc., which provides industrial storage solutions across Canada.   |

Total interest income earned from construction loans for the year ended December 31, 2024, was \$1.4 million compared to \$1.7 million for the same period in the prior year. This decrease is primarily attributable to loan payments and lower prevailing interest rates.

Halmont continues to explore opportunities to increase the value of its residential and industrial properties by collaborating with partners to develop future investment opportunities.

### **FOREST PROPERTIES**

Halmont's forest properties represents approximately 23% of the Company's assets and includes investments in Haliburton Forest and Acadian Timber Corp.

#### Haliburton Forest

Halmont's investment in Haliburton Forest currently accounts for 16% of the Company's assets and is comprised of a 59% equity interest in Haliburton Forest, which owns approximately 100,000 acres of predominantly hardwood freehold timberlands in Haliburton County, ON, and approximately 145,000 acres of predominantly softwood freehold timberlands near Timmins, ON. Haliburton Forest also owns and operates five hardwood sawmills and a 50% partnership interest in a biochar production facility.

Total income for the year ended December 31, 2024, was \$4.3 million compared to \$3.2 million for the same period in the prior year. This increase primarily reflects a \$21.7 million additional investment in Haliburton's participating preferred shares.

Halmont's objective is to earn attractive investment returns from the appreciation in the value of Haliburton Forest's freehold timberlands over the long term partly through the appreciation in land values commensurate with inflationary pressures, and a diminishing supply of prime privately-owned recreational properties with attractive waterfront features.

In addition, value is expected to be created through the application of sustainable forest management practices, which improve forest quality and growth over time by prioritizing the removal of damaged and lower-quality trees, in order to promote the growth of the most valuable and vigorous species.

Investments in long-life infrastructure, including the building of roads and bridges, improve property access and thereby provide optionality with respect to land leases, fee-based recreational services, property development, and future forest harvesting.

Opportunities are also pursued to realize the highest and best use of waterfront features through short-term recreational lease contracts, long-term commercial leases, property development, or the sale of such segments of the freehold timberlands at premium prices.

In addition, Halmont aims to benefit from the development of carbon credits for sale in both the voluntary and compliance markets to produce sustainable forest management returns.

#### Acadian Timber Corp.

Halmont's investment in Acadian Timber Corp is held through a \$20.0 million convertible preferred share in Macer Forest Holdings Inc. which is exchangeable for a 7% equity interest in Acadian Timber Corp., which owns approximately 1,100,000 acres of freehold forest lands in New Brunswick and Maine. Halmont accordingly has an indirect ownership in an additional 77,000 acres of freehold lands.

Acadian Timber Corp. owns and manages approximately 775,000 acres of freehold timberlands in New Brunswick and approximately 300,000 acres of freehold timberlands in Maine. Acadian also provides forest management services related to approximately 1,300,000 acres of Crown timberlands in New Brunswick.

Acadian's products include softwood and hardwood sawlogs, pulpwood, and biomass. Acadian also develops carbon credits for sale in the voluntary carbon credit markets and generates additional income from long-term leases.

Consideration will be given in the future to a strategic transaction between Haliburton Forest and Acadian Timber Corp. The attraction of such a transaction would include geographic and economic diversification of the companies' respective land holdings, as well as benefiting from closer sharing of expertise in forest management, timber marketing, carbon credits, and property development.

### **FINANCIAL ASSETS**

Halmont's financial assets are segregated into two groups: Property Loans and Other and Corporate Investments.

#### Property Loans and Other

Halmont's property loans and other account for 14% of the Company's assets and include:

|                                  |    |                     |
|----------------------------------|----|---------------------|
| Loans to a property storage fund | \$ | 18.2 million        |
| Vendor-take-back loan            |    | 9.9 million         |
| Secured property mortgages       |    | 9.8 million         |
| Other receivables                |    | 9.1 million         |
| Marketable securities            |    | 8.4 million         |
|                                  | \$ | <u>55.4 million</u> |

Total income from property loans and other, for the year ended December 31, 2024, was \$5.7 million compared to \$4.9 million for the same period in the prior year.

In addition to being capable of responding promptly to property loan applications, Halmont provides client companies with advice on project financing alternatives, offers subordinate loans with equity participation features, and endeavours to seek third-party underwriting for its higher-risk loans. Should a client experience difficulty executing their property development plans, Halmont has

the capacity to intercede and assign experienced individuals to stabilize and, if necessary, complete and realize value from such projects.

Halmont maintains longstanding relationships with commercial banks and other parties, which enables it to invest capital in financial assets, pending its redeployment in longer-term investment initiatives in the real estate property and forest sectors.

### Corporate Investments

Halmont's corporate investments in the amount of \$41.8 million account for 10% of the Company's total assets and include investments held through a subsidiary, substantially financed with \$27.0 million of preferred shares, which have no recourse to the Company's other assets. As a result, Halmont's net effective investment in these entities is \$14.8 million representing 3.6% of its total assets.

Halmont accounts for its corporate investments using the equity method, which are initially recorded at cost and adjusted for the Company's contractual share of income and distributions. Halmont's objective is to hold these corporate investments while they provide a source of income and business relationships that support its other investment activities.

Total equity accounted income for the year ended December 31, 2024, was \$2.9 million compared to \$2.7 million for the same period in the prior year.

## **SUMMARY FINANCIAL INFORMATION**

The following table summarizes selected annual consolidated information:

| (CAD\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS) | YEAR ENDED DECEMBER 31 |            |            |            |            |
|---|------------------------|------------|------------|------------|------------|
|   | 2024                   | 2023       | 2022       | 2021       | 2020       |
| Total assets                                | \$ 411,769             | \$ 253,572 | \$ 224,032 | \$ 265,821 | \$ 220,185 |
| Total revenue                               | 32,026                 | 27,973     | 19,514     | 13,492     | 11,219     |
| Comprehensive income                        | 20,715                 | 18,602     | 10,425     | 7,656      | 6,199      |
| Comprehensive income to shareholders        | 19,375                 | 17,369     | 9,572      | 7,103      | 5,713      |
| - Per share diluted                         | 9.17 ¢                 | 9.28 ¢     | 5.28 ¢     | 3.44 ¢     | 4.28 ¢     |
| - Per share basic                           | 12.52 ¢                | 12.69 ¢    | 6.68 ¢     | 4.85 ¢     | 3.63 ¢     |

## **CONSOLIDATED OPERATING RESULTS**

For the year ended December 31, 2024, the Company reported a net income of \$18,399,000, compared to \$18,490,000 for the same period in 2023.

Halmont's financial results have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). As a result, inter-company transactions and balances have been eliminated on consolidation.

The following table summarizes selected consolidated financial information for the eight most recently completed quarters:

| (CAD\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS) | 2024      |          |          |          | 2023      |          |          |          |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|
|   | Q4        | Q3       | Q2       | Q1       | Q4        | Q3       | Q2       | Q1       |
| Total revenue                               | \$ 11,067 | \$ 6,412 | \$ 5,777 | \$ 8,770 | \$ 14,983 | \$ 4,727 | \$ 4,456 | \$ 3,807 |
| Comprehensive income                        | 8,275     | 4,573    | 2,520    | 5,347    | 10,738    | 2,819    | 2,698    | 2,347    |
| Comprehensive income to shareholders        | 7,943     | 4,251    | 2,160    | 5,021    | 10,711    | 2,422    | 2,179    | 2,057    |
| - Per share diluted                         | 4.14 ¢    | 1.77 ¢   | 1.07 ¢   | 2.19 ¢   | 5.58 ¢    | 1.31 ¢   | 1.13 ¢   | 1.26 ¢   |
| - Per share basic                           | 5.92 ¢    | 2.34 ¢   | 1.29 ¢   | 2.97 ¢   | 8.29 ¢    | 1.66 ¢   | 1.17 ¢   | 1.57 ¢   |

Halmont's quarterly results for the past eight quarters have been influenced by acquisitions and dispositions, occupancy levels, the economic performance of its commercial property portfolio, the timing and scale of development expenditures project completions, fluctuations in interest rates, and changes in the fair values of investment properties and financial assets.

### LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company's borrowings included \$25.0 million in secured loans (December 31, 2023 - \$25.0 million), \$75.2 million from an affiliate (December 31, 2023 - \$18.3 million), and \$25.0 million in senior debentures (December 31, 2023 - \$25.0 million). The Company's undrawn available credit totaled \$84.7 million (December 31, 2023 - \$51.7 million).

As at December 31, 2024, 61% of outstanding debt was at floating rates, and 39% with fixed rates.

### EXPENSES AND INCOME TAXES

Total interest expense for the year ended December 31, 2024, was \$6.8 million, compared to \$4.8 million for the same period in the prior year. This increase in interest expense is primarily attributable to higher borrowing amounts, partially offset by lower average interest rates.

Halmont recorded an aggregate income tax expense of \$4.0 million for the year ended December 31, 2024, (December 31, 2023 - \$2.6 million), including current tax expenses of \$1.0 million (December 31, 2023 - \$0.2 million) and a deferred tax expense of \$3.0 million (December 31, 2023 - \$2.4 million). The increase in current income tax expense is primarily attributable to taxes related to the sale of a commercial property.

### FAIR VALUE SUMMARY

Fair value adjustments totaled \$7.0 million (December 31, 2023 - \$12.2 million), which consisted of:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | 2024     | 2023      |
|------------------------------------|----------|-----------|
| Sale of commercial properties      | \$ 4,250 | \$ 10,450 |
| Commercial properties              | (458)    | (2,863)   |
| Industrial properties              | 3,221    | 4,388     |
| Property loans and other           | (10)     | 268       |
| Total fair value gain              | \$ 7,003 | \$ 12,243 |

## EQUITY BASE

On December 31, 2024, the Company redeemed its Series I convertible preferred shares by issuing 30.7 million subordinate-voting common shares of the Company. Halmont's issued common share capital is now comprised of 83.9 million multiple-voting common shares and 70.8 million subordinate-voting common shares. The multiple-voting common shares are listed for trading on TSX Venture Exchange under the symbol HMT.V.

On December 31, 2024, the Company issued \$50.0 million Series II preferred shares which are convertible into 50.0 million subordinate-voting common shares.

On December 31, 2021, the Company issued \$25.0 million subordinated capital notes which are convertible into 31.2 million subordinate-voting common shares.

The following table sets out the current issued and outstanding multiple-voting common shares and subordinate-voting common shares as at December 31, 2024, together with the subordinate-voting common shares to be issued on the conversion of its capital notes and preferred shares.

|   | Number<br>of shares<br>(THOUSANDS) | Subscribed<br>Value<br>(CAD\$ THOUSANDS) |
|---|------------------------------------|--|
| Issued and Outstanding:   |                                    |  |
| – Multiple - voting common shares                               | # 83,940                           | \$ 76,685                                |
| – Subordinate - voting common shares                            | 70,769                             | 64,652                                   |
|   | 154,709                            | 141,337                                  |
| Issuance of Subordinate- voting common shares on conversion of: |                                    |  |
| – Series II subordinated capital notes                          | 31,250                             | 25,000                                   |
| – Series II preferred shares                                    | 50,000                             | 50,000                                   |
| Fully diluted Multiple and Subordinated voting common shares    | # 235,959                          | \$ 216,337                               |

## REVIEW OF THE INTERIM FINANCIAL STATEMENTS

A description of the principal risks to which the Company is exposed is described in the notes to the financial statements accompanying this MD&A.

Related party transactions are conducted in the normal course of operations and are recorded at the agreed-upon exchange amounts between the parties.

The accompanying audited consolidated financial statements of the Company for the year ended December 31, 2024, have been prepared by and are the responsibility of the Company's management.

Additional information has been filed on SEDARPLUS at [www.sedarplus.ca](http://www.sedarplus.ca) or may be obtained upon request from the Secretary of the Company at 181 Bay Street, Suite IN200, Toronto, ON, M5J 2T3.

April 30, 2025



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## Independent Auditor's Report

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To the Shareholders of Halmont Properties Corporation

### Opinion

We have audited the consolidated financial statements of Halmont Properties Corporation and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of net and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Fair Value of Commercial Properties (Refer to Note 2(c) and 5 of the Consolidated Financial Statements)*

The valuation of commercial properties is a key audit matter due to the subjective nature of the key inputs used in the valuation techniques and the sensitivity of fair value changes in significant assumptions. The key inputs used in determining fair value include estimates of expected future cash flows, and the applicable discount rates and terminal capitalization rates, which are influenced by the nature of each investment property and prevailing market conditions.

#### *How the Key Audit Matter was addressed in the Audit*

Our audit procedures included the following, among others:

- assessed the competence, capabilities and objectivity of the external appraisers engaged by the Company and the Company's management who were involved in the valuation process;
- obtained an understanding of the techniques used by the external appraisers and management in determining the valuation of investment properties;



- with the assistance of our real estate valuation experts, evaluated the fair value methodology used by the external appraisers and management;
- performed an assessment of significant underlying assumptions such as highest and best use, capitalization rates and net operating incomes and compared the significant underlying assumptions to the market;
- assessed management's review and approval process for valuations and projections of future operating incomes; and
- evaluated the disclosures included in the consolidated financial statements relating to the fair value of investment properties.

Because of the subjectivity involved in determining fair value for individual commercial properties and the existence of alternative assumptions and valuation methods, we determined a range of fair values that were considered reasonable to evaluate the fair values determined by external appraisers and management.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis for the year ended December 31, 2024.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis for the year ended December 31, 2024 prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Bradley Tagieff.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
April 30, 2025

# Consolidated Balance Sheet

(audited)

AS AT DEC. 31, 2024 AND DEC. 31, 2023  
(CAD\$ THOUSANDS)

|   | Note  | 2024              | 2023              |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>                           |       |                   |                   |
| Cash                                    |       | \$ 264            | \$ -              |
| Property loans and other                | 4     | 55,419            | 48,709            |
| Commercial properties                   | 5     | 165,164           | 56,670            |
| Residential and industrial properties   | 6     | 54,544            | 37,436            |
| Forest properties                       | 7     | 94,530            | 71,811            |
| Corporate investments                   | 8     | 41,848            | 38,946            |
| <b>Total Assets</b>                     |       | <b>\$ 411,769</b> | <b>\$ 253,572</b> |
| <b>LIABILITIES AND EQUITY</b>           |       |                   |                   |
| Amounts payable and other               | 9     | \$ 7,315          | \$ 3,558          |
| Bank loan                               | 10    | -                 | 3                 |
| Mortgage payable                        | 11    | 22,500            | -                 |
| Other loans payable                     | 12    | 50,000            | 50,000            |
| Due to affiliates                       | 13    | 75,261            | 18,267            |
| Deferred taxes                          | 14    | 13,307            | 9,418             |
|   |       | <b>168,383</b>    | <b>81,246</b>     |
| Equity                                  |       |                   |                   |
| Non-controlling shareholders' interest  | 16(a) | 27,049            | 23,829            |
| Subordinated convertible capital notes  | 16(b) | 25,000            | 25,000            |
| Common and convertible preferred equity | 16(c) | 191,337           | 123,497           |
| Total equity                            |       | <b>243,386</b>    | <b>172,326</b>    |
| <b>Total Liabilities and Equity</b>     |       | <b>\$ 411,769</b> | <b>\$ 253,572</b> |

Approved by the Board on April 30, 2025, and signed on its behalf by:



Heather M. Fitzpatrick  
President



David W. Kerr  
Chairman

# Consolidated Statement of Net and Comprehensive Income

(audited)

(CAD\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

FOR THE YEARS ENDED DEC. 31

Note

2024

2023

## REVENUE AND OTHER INCOME

|                                       |    |    |               |    |               |
|---------------------------------------|----|----|---------------|----|---------------|
| Interest and other                    |    | \$ | 5,666         | \$ | 4,885         |
| Commercial properties                 |    |    | 10,720        |    | 3,143         |
| Residential and industrial properties |    |    | 1,389         |    | 1,711         |
| Forest properties                     |    |    | 4,347         |    | 3,233         |
| Equity accounted                      | 8  |    | 2,901         |    | 2,758         |
| Fair value changes                    | 15 |    | 7,003         |    | 12,243        |
|                                       |    |    | <b>32,026</b> |    | <b>27,973</b> |

## EXPENSES AND OTHER COSTS

|                            |    |    |               |    |              |
|----------------------------|----|----|---------------|----|--------------|
| Commercial properties      |    | \$ | 1,735         | \$ | 1,306        |
| Interest                   |    |    | 6,759         |    | 4,868        |
| General and administrative |    |    | 1,139         |    | 662          |
| Income taxes               | 14 |    | 3,994         |    | 2,647        |
|                            |    |    | <b>13,627</b> |    | <b>9,483</b> |

## NET INCOME

|                            |  |    |        |    |        |
|----------------------------|--|----|--------|----|--------|
|                            |  | \$ | 18,399 | \$ | 18,490 |
| Other comprehensive income |  |    | 2,316  |    | 112    |

## COMPREHENSIVE INCOME

|  |    |        |    |        |
|--|----|--------|----|--------|
|  | \$ | 20,715 | \$ | 18,602 |
|--|----|--------|----|--------|

## Attributable to:

### Shareholders

|                                   |  |    |               |    |               |
|-----------------------------------|--|----|---------------|----|---------------|
| Net income                        |  | \$ | 17,059        | \$ | 17,257        |
| Other comprehensive income (loss) |  |    | 2,316         |    | 112           |
| Comprehensive income              |  |    | <b>19,375</b> |    | <b>17,369</b> |

### Non-controlling interest

|                            |  |    |              |    |              |
|----------------------------|--|----|--------------|----|--------------|
| Net income                 |  | \$ | 1,340        | \$ | 1,233        |
| Other comprehensive income |  |    | -            |    | -            |
| Comprehensive income       |  |    | <b>1,340</b> |    | <b>1,233</b> |

## COMPREHENSIVE INCOME

|  |    |        |    |        |
|--|----|--------|----|--------|
|  | \$ | 20,715 | \$ | 18,602 |
|--|----|--------|----|--------|

## Earnings per common share:

|         |    |  |       |   |       |   |
|---------|----|--|-------|---|-------|---|
| Basic   | 16 |  | 12.52 | ¢ | 12.69 | ¢ |
| Diluted | 16 |  | 9.17  |   | 9.28  |   |

# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DEC. 31, 2024  
(CAD\$ THOUSANDS)

|                                   | Convertible Preferred Shares | Retained Earnings | Accumulated Other Comprehensive Income | Attributable to Shareholders of the Company | Non-Controlling Interests | Subordinated Convertible Capital Notes | Total Equity |
|-----------------------------------|------------------------------|-------------------|--|---|---------------------------|--|--------------|
| <b>Balance, December 31, 2023</b> | \$ 58,460                    | \$ 63,247         | \$ 1,790                               | \$ 123,497                                  | \$ 23,829                 | \$ 25,000                              | \$ 172,326   |
| Issuance of preferred shares      | 50,000                       | -                 | -                                      | 50,000                                      | 2,720                     | -                                      | 52,720       |
| Conversion of preferred shares    | (20,000)                     | -                 | -                                      | (20,000)                                    | -                         | -                                      | (20,000)     |
| Issuance of common shares         | 20,000                       | -                 | -                                      | 20,000                                      | -                         | -                                      | 20,000       |
| Other comprehensive income        | -                            | -                 | 2,664                                  | 2,664                                       | -                         | -                                      | 2,664        |
| Capital notes interest            | -                            | (1,000)           | -                                      | (1,000)                                     | -                         | -                                      | (1,000)      |
| Dividends - subsidiary            | -                            | -                 | -                                      | -   | (840)                     | -                                      | (840)        |
| Preferred share dividends         | -                            | (800)             | -                                      | (800)                                       | -                         | -                                      | (800)        |
| Tax                               | -                            | 265               | (348)                                  | (83)  | -                         | -                                      | (83)         |
| Net income                        | -                            | 17,059            | -                                      | 17,059                                      | 1,340                     | -                                      | 18,399       |
| <b>Balance, December 31, 2024</b> | \$ 108,460                   | \$ 78,771         | \$ 4,106                               | \$ 191,337                                  | \$ 27,049                 | \$ 25,000                              | \$ 243,386   |

(audited)

FOR THE YEAR ENDED DEC. 31, 2023  
(CAD\$ THOUSANDS)

|                                   | Common and Convertible Preferred Shares | Retained Earnings | Accumulated Other Comprehensive Income | Total Equity Attributable to Shareholders of the Company | Non-Controlling Interests | Subordinated Convertible Capital Notes | Total Equity |
|-----------------------------------|---|-------------------|--|--|---------------------------|--|--------------|
| <b>Balance, December 31, 2022</b> | \$ 58,460                               | \$ 47,525         | \$ 1,678                               | \$ 107,663   | \$ 22,596                 | \$ 25,000                              | \$ 155,259   |
| Other comprehensive income        | -                                       | -                 | 129                                    | 129  | -                         | -                                      | 129          |
| Capital notes interest            | -                                       | (1,000)           | -                                      | (1,000)  | -                         | -                                      | (1,000)      |
| Preferred share dividends         | -                                       | (800)             | -                                      | (800)  | -                         | -                                      | (800)        |
| Tax                               | -                                       | 265               | (17)                                   | 248  | -                         | -                                      | 248          |
| Net income                        | -                                       | 17,257            | -                                      | 17,257   | 1,233                     | -                                      | 18,490       |
| <b>Balance, December 31, 2023</b> | \$ 58,460                               | \$ 63,247         | \$ 1,790                               | \$ 123,497   | \$ 23,829                 | \$ 25,000                              | \$ 172,326   |

# Consolidated Statement of Cash Flows

(CAD\$ THOUSANDS)

FOR THE YEARS ENDED DEC. 31

2024

2023

## OPERATING

|   |    |              |    |              |
|---|----|--------------|----|--------------|
| Net income                                    | \$ | 18,399       | \$ | 18,490       |
| Items not involving cash:                     |    |              |    |              |
| Equity accounted income                       |    | (2,901)      |    | (2,758)      |
| Fair value adjustments                        |    | (7,003)      |    | (12,243)     |
| Fair value adjustments on forest properties   |    | (969)        |    | (799)        |
| Deferred and current taxes                    |    | (3,994)      |    | (2,647)      |
| Changes in non-cash working capital and other |    | (390)        |    | 2,671        |
|   |    | <b>3,142</b> |    | <b>2,714</b> |

## FINANCING

|                              |  |                |  |              |
|------------------------------|--|----------------|--|--------------|
| Bank loan                    |  | -              |  | (8)          |
| Issuance of preferred shares |  | 50,000         |  | -            |
| Due to affiliates            |  | 51,449         |  | 8,683        |
| Non-controlling interest     |  | 1,878          |  | -            |
| Preferred share dividends    |  | (800)          |  | (800)        |
| Capital notes interest       |  | (1,000)        |  | (1,000)      |
|                              |  | <b>101,527</b> |  | <b>6,875</b> |

## INVESTING

|   |  |                  |  |                |
|---|--|------------------|--|----------------|
| Forest properties investment                      |  | (21,750)         |  | (15,000)       |
| Residential and industrial properties, investment |  | (12,498)         |  | (2,488)        |
| Commercial properties, investment                 |  | (92,909)         |  | (5,000)        |
| Commercial properties, disposition                |  | 9,976            |  | -              |
| Property loan, advances                           |  | (15,475)         |  | (11,002)       |
| Property loan, repayments                         |  | 28,251           |  | 28,768         |
| Corporate investments, net                        |  | -                |  | (4,867)        |
|   |  | <b>(104,405)</b> |  | <b>(9,589)</b> |

## Net cash flow

|                               |           |            |           |          |
|-------------------------------|-----------|------------|-----------|----------|
| Net cash flow                 |           | 264        |           | -        |
| Balance, beginning of year    |           | -          |           | -        |
| <b>Balance, end of period</b> | <b>\$</b> | <b>264</b> | <b>\$</b> | <b>-</b> |

## Supplemental cash flow disclosures

|                    |    |       |    |       |
|--------------------|----|-------|----|-------|
| Dividends received | \$ | 3,378 | \$ | 2,059 |
| Interest paid      |    | 2,625 |    | 2,625 |

# Notes to the Consolidated Financial Statements

## 1. CORPORATE INFORMATION

Halmont Properties Corporation (“Halmont”, the “Company”, or “we”, or “our”, or “its”) is incorporated and domiciled in Canada. The Company invests in real estate properties, forest properties and financial loans. The Company is listed on the TSX Venture Exchange (the “Exchange”) and its registered office is located at 181 Bay Street, Suite IN200, Toronto, Ontario, M5J 2T3.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### a) Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standard). These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 30, 2025, and have been prepared by them and are the responsibility of the Company’s management.

### b) Basis of Presentation

Unless otherwise noted, the consolidated financial statements are presented in thousands of Canadian dollars, and the Company has presented the Consolidated Balance Sheet on a liquidity basis.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

- (i) The consolidated financial statements include the accounts of the Company and its consolidated subsidiaries, which are the entities over which the Company has control. Control exists when the Company has power over the investee, with the ability to use its power to affect the amount of returns. Non-controlling interests in the equity of the Company’s subsidiaries are included in the equity.
- (ii) A joint venture is a joint arrangement where the parties that have joint control have rights to the net assets of the arrangement, as defined under IFRS 11 Joint Arrangements. The Company accounts for its interest in joint ventures using the equity method of accounting in accordance with IAS 28 Investments in Associates and Joint Ventures. Under the equity method, investment balances in a joint venture are carried on the consolidated balance sheet at initial cost, adjusted for the partnership’s proportionate share of profit or loss of the joint venture. Changes in the fair value of joint venture investments classified as financial assets at fair value through profit or loss (FVTPL) are recognized in the consolidated statement of income in the period in which they arise, in accordance with IFRS 9 Financial Instruments.
- (iii) A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement, as defined under IFRS 11 Joint Arrangements. This typically arises from direct interests in the assets and liabilities of an investee rather than through the establishment of a separate legal entity. The partnership recognizes its proportionate share of the joint operation’s assets, liabilities, revenues, and expenses in accordance with its interest in the arrangement. If the joint operation includes financial instruments, their classification and measurement follow IFRS 9 Financial Instruments, with changes in fair value recognized in accordance with the standard’s requirements.
- (iv) Corporate investments are entities over which the Company has significant influence over financial and operating policies. These investments are accounted for using the equity method whereby the investment is initially recognized at cost and adjusted for the Company’s share of income and distributions. These investments are subject to shareholder agreements which determine the realizable value of the Company’s investment on ultimate disposition.

### c) Commercial Properties

Commercial properties are measured at fair value at the year-end balance sheet dates, with land leases fair valued on a quarterly basis. Gains or losses on the sale of a commercial property are recognized in profit or loss upon the completion of the sale. Fair value is determined through either independent external appraisal conducted by qualified and experienced evaluators, or a combination of internal valuations and external appraisals conducted on a rotational basis.

The Company’s commercial properties are classified as investment properties in accordance with IFRS Accounting Standards. These properties are recognized and measured at fair value, with changes in fair value recorded in the consolidated statements of comprehensive income at year end. The Company appraises its commercial properties using either the discounted cash flow approach, which is based on future free cash flow, or the direct capitalization approach, which analyzes the relationship of current projected stabilized net operating income to total property value.

The Company also holds interests in commercial properties through a joint operation and a joint venture. For the joint operation, the Company

recognizes its proportionate share of assets, liabilities, revenues, and expenses directly in the consolidated financial statements. For the joint venture, the Company accounts for its investment using the equity method, recognizing its share of net income or loss in the consolidated statements of comprehensive income.

**d) Financial Instruments**

The Company classifies its financial assets and liabilities as either fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI), or amortized cost based on the Company's business objectives and contractual characteristics of the financial instrument.

The Company's financial assets comprise cash, property loans and other receivables, residential and industrial properties, forest properties, and corporate investments.

The Company's financial liabilities comprise amounts payable and other, bank loan, mortgage payable, other loans payable, and due to affiliates.

In accordance with IFRS 9, the Company's financial liabilities are classified as amortized cost. The Company's financial assets are classified as follows: property loans and other receivables – amortized cost/FVTPL/FVOCI, forest properties – FVTPL, and corporate investments – equity accounting.

**e) Revenue Recognition**

The Company has retained substantially all the risks and benefits of ownership of its commercial properties and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease begins when the tenant takes possession of, or controls, the physical use of the property subject to the lease. Generally, this occurs on the lease commencement date or when the Company is required to make additions to the property in the form of tenant improvements upon substantial completion of those improvements. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line or free rent receivable, as applicable, is recorded for the difference between rental revenue recognized and the contractual amount received. Rental revenue also includes recoveries of operating expenses, including property tax.

Interest income is recognized on an accrual basis, and dividends from marketable securities are recognized on the ex-dividend date. Gains on the sale of real estate are recognized when title passes to the purchaser and collection of proceeds is reasonably assured.

**f) Income Taxes**

Income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred income tax assets are recognized for all temporary deductible differences and for the carry forward of tax credits, and unused tax losses only to the extent that it is probable that deductions, tax credits, and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date to determine when recoverable. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability settled, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

**g) Use of Estimates, Judgments, and Assumptions**

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the carried amounts of certain assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Actual results could differ from those estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgments have been applied in a manner consistent with prior periods, and there are no known trends, commitments, events, or uncertainties that the Company believes will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements.

The estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements include the following:

(i) Commercial Properties

The critical judgments and estimates used when determining the fair value of commercial properties relate to identifying comparable properties' sales, estimates of expected future cash flows, and the applicable discount rates and terminal capitalization rates used in the discounted cash flow model.

(ii) Degree of Influence

When determining the appropriate basis of accounting for the Company's corporate investments, the Company uses the following critical judgments and assumptions: the degree of power or influence that the Company exerts; the amount of potential voting rights which provide the Company or unrelated parties voting powers; the terms of the shareholder or other contractual agreements; the ability to appoint directors; and the amount of benefit that the Company receives relative to other investors.

Other critical estimates in preparing the Company's financial statements include the assessment of net recoverable amount for receivables, estimation of tax provision, and the ability to utilize tax losses in the normal course.

### 3. RISK MANAGEMENT

The Company is exposed to the following risks due to holding financial instruments: market risk (i.e., interest rate risk, currency risk, and other price risks that impact the fair value of financial instruments); credit risk; and liquidity risk. There have been no changes in the Company's objectives, policies, and processes for managing and measuring risk since the previous year. The following is a description of these risks and how they are managed.

#### a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments held by the Company will fluctuate because of changes in market prices. Market risk includes the risk of changes in interest rates, currency exchange rates, and changes in market prices due to factors other than interest rates or currency exchange rates such as equity prices, commodity prices, or credit spreads.

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in the net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in the fair value of financial instruments whose cash flows are fixed in nature. Financial instruments held by the Company exposed to market value risk include mortgages receivable, due to affiliates, other loans payable, and property loans.

The result of a 100 basis-point increase in interest rates would impact expense by \$0.8 million and interest and other income by \$0.2 million. The result of a 100 basis-point decrease in interest rates would impact expense by \$0.8 million and interest and other income by \$0.2 million.

The Company has no foreign currency risk.

#### b) Credit Risk

The Company is subject to credit risk arising from the possibility that users are unable to fulfill their lease obligations. The Company mitigates this risk by attempting to maintain a diversified user-mix and limiting exposure to any single user.

The Company also has credit risk that arises on loans and other receivables in the event that the borrower defaults on the repayment to the Company. The Company mitigates this risk by attempting to ensure that adequate security has been provided in support of such loans and receivables. In the event of a large market correction, and the fair market value of the underlying asset may be unable to support the loan value, the Company mitigates this risk by obtaining corporate guarantees and/or registered mortgage charges and assignment of leases, performing credit checks on potential borrowers, monitoring the financial and operating performance of borrowers, construction and leasing status on the development projects, timing of rent commencement on leases, and status of scheduled principal and interest payments.

Credit risk from user receivables arises from the possibility that users may experience financial difficulty and be unable to fulfill their lease commitments, resulting in the Company incurring a financial loss. This is managed through a diversified user group and revenue source, ensuring no individual user contributes to a significant portion of revenues.

The Company recognizes a loss allowance for expected credit losses ("ECL") on its loans and other receivables measured at amortized cost. ECLs are estimated based on historical credit loss experience, adjusted for current and forward-looking information reflecting the Company's view of economic conditions.

As at December 31, 2024, the Company's loss allowance for expected credit losses was \$0.7 million (December 31, 2023 – \$0.6 million).

As at December 31, 2024, all loans and receivables were current and not past due. Management has assessed the credit risk and determined that no further impairment is necessary based on the financial condition of counterparties, historical collection experience, and collateral arrangements where applicable.

c) **Liquidity Risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The primary source of liquidity consists of cash and financial assets, net of amounts payable and other liabilities, and undrawn committed credit facilities.

4. **PROPERTY LOANS AND OTHER**

As at December 31, 2024, and December 31, 2023, the Company's property loans and other are as follows:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 |                       | 2024      | 2023      |
|------------------------------------|-----------------------|-----------|-----------|
| Loan to property storage fund      | FVTPL                 | \$ 18,150 | \$ 12,600 |
| Vendor-take-back loan              | Amortized cost        | 9,906     | -         |
| Secured mortgages                  | Amortized cost        | 9,769     | 23,634    |
| Other receivables                  | Amortized cost/ FVTPL | 9,224     | 6,899     |
| Marketable securities              | FVOCI                 | 8,370     | 5,576     |
|                                    |                       | \$ 55,419 | \$ 48,709 |

Within the Company's other receivables is a third party managed debt fund, which the Company has committed up to \$10.0 million (December 31, 2023 - \$10.0 million), and is classified as fair value through profit and loss (FVTPL). For the year end December 31, 2024, the Company recognized a fair value loss of approximately \$0.05 million (December 31, 2023- 0.3 million).

Interest and other income include \$4.6 million (December 31, 2023 - \$4.5 million) of interest revenue from loans and other receivables which are classified at amortized cost.

The Company recorded an expected credit loss of \$0.7 million (December 31, 2023 - \$0.6 million).

5. **COMMERCIAL PROPERTIES**

The following table summarizes changes in the carrying value of the Company's commercial property portfolio:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31     | 2024       | 2023      |
|--|------------|-----------|
| Balance, beginning of year             | \$ 56,670  | \$ 42,390 |
| Sale of property                       | (20,000)   | -         |
| Additional investment                  | 118,105    | 6,694     |
| Share of net profit from joint venture | 6,597      | -         |
| Fair value adjustments                 | 3,792      | 7,586     |
|  | \$ 165,164 | \$ 56,670 |

As at December 31, 2024, the Company holds ownership interests in five commercial properties, consisting of 100% direct ownership in three income-producing properties with a fair value of \$35,464 (December 31, 2023 - \$51,670), a 50% joint venture interest in a commercial property held through a limited partnership acquired during the year with a fair value of \$46,600 (December 31, 2023 - \$5,000), and a 37.5% joint operation interest in another commercial property, also acquired during the year, with a fair value of \$83,100 (December 31, 2023 - nil).

| Name of Property       | Ownership Type  | Location | Ownership |
|------------------------|-----------------|----------|-----------|
| 221 Yonge Street       | Direct          | Toronto  | 100.0 %   |
| 22 College Street      | Direct          | Toronto  | 100.0 %   |
| 321-329 Lakeshore Road | Direct          | Oakville | 100.0 %   |
| 25 Dockside Drive      | Joint Venture   | Toronto  | 50.0 %    |
| 2 Queen East           | Joint Operation | Toronto  | 37.5 %    |

#### *Commercial Properties – Directly Held*

Revenue from commercial properties is comprised of approximately 60% base rent and 40% variable lease payments for common area maintenance and property tax recovery. Minimum base rental commitments under non-cancellable tenant operating leases are as follows: 2025 - \$2.0 million, 2026 - \$2.0 million, 2027 - \$2.0 million, 2028 - \$2.0 million, thereafter \$4.4 million.

Lease income from operating leases totalled \$3.3 million (December 31, 2023 - \$3.1 million), including \$1.3 million (December 31, 2023 - \$0.9 million) of variable lease income not dependent on an index or rate.

The portfolio includes one property held under a land lease, which has a fair value of \$2.8 million (December 31, 2023 - \$3.0 million). The property land lease, or right-of-use asset, is carried at fair value, and the lease liability is amortized using a straight-line method with a 4.00% discount rate over the term of the lease, ending in 2033. As at December 31, 2024, fair value adjustment to the land lease totalled \$0.2 million (December 31, 2023 - \$0.9 million). Cash payments for the land leases during 2024 amounted to \$0.5 million (December 31, 2023 - \$0.5 million).

The weighted average discount rate used in valuations during 2024 was 6.4% (December 31, 2023 - 5.9%) and the weighted average terminal rate was 3.6% (December 31, 2023 - 5.1%). A 25-basis-point change in the discount or terminal capitalization rate would result in a fair value change of \$0.8 million.

The Company's investment properties are measured at fair value in accordance with IFRS 13 – Fair Value Measurement, with fair value gains and losses recognized in the consolidated statement of income. Valuations reflect current market conditions, highest and best use, and are categorized as Level 3 within the fair value hierarchy due to the use of unobservable inputs.

The Company's commercial properties were independently appraised by a third-party appraiser as at December 31, 2024.

#### *Joint Venture*

The Company holds a 50% ownership interest in HGBC 25 Dockside Limited Partnership, a limited partnership that owns and operates a commercial property located in Toronto, Ontario. The investment is accounted for using the equity method.

As at December 31, 2024, the carrying value of the Company's investment in the joint venture was \$46.6 million (December 31, 2023 - \$Nil) and the Company recognized \$6.6 million as its share of income from the joint venture, which is included in "Commercial revenue" in the consolidated statement of income. The joint venture operates independently and provides audited financial statements annually to support the Company's equity method accounting.

Summarized financial information of the Joint Venture (100% basis):

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | 2024      |
|------------------------------------|-----------|
| Current assets                     | \$ 4,900  |
| Non-current assets                 | 250,900   |
| Current liabilities                | 3,200     |
| Non-current liabilities            | 159,400   |
| Net assets                         | \$ 93,200 |
| 50% of net assets                  | \$ 46,600 |

Results of Operations (100% basis):

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | 2024      |
|------------------------------------|-----------|
| Revenue                            | \$ 10,300 |
| Fair value                         | 9,400     |
| Interest expense                   | (6,300)   |
| General expense                    | (200)     |
| Comprehensive income               | \$ 13,200 |

Commitments and Contingencies. As at December 31, 2024, there were no material commitments or contingent liabilities related to the joint venture.

#### *Joint Operations*

The Company holds a 37.5% interest in a jointly controlled commercial property located in Toronto. The arrangement is classified as a joint operation under IFRS 11 – *Joint Arrangements*, as the parties to the agreement have rights to the assets and obligations for the liabilities relating to the property.

The Company recognizes its 37.5% proportionate share of the joint operation’s assets, liabilities, revenues, and expenses on a line-by-line basis in the consolidated financial statements.

Although the Company holds only a 37.5% legal interest in the joint operation, it is responsible for 50% of the vendor take-back mortgage pursuant to the terms of the co-ownership agreement. Accordingly, the vendor take-back is recognized at 50% in the Company’s consolidated balance sheet. The vendor take-back bears interest at 4.00% annually and matures in December 2029.

## 6. RESIDENTIAL AND INDUSTRIAL PROPERTIES

The following table summarizes changes in the carrying value of the Company’s residential and industrial property portfolio:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | 2024      | 2023      |
|------------------------------------|-----------|-----------|
| Balance, beginning of year         | \$ 37,436 | \$ 28,748 |
| Additional investment              | 12,498    | 2,589     |
| Interest income                    | 1,389     | 1,711     |
| Fair value adjustments             | 3,221     | 4,388     |
|                                    | \$ 54,544 | \$ 37,436 |

#### *Residential Properties*

Residential properties include a construction loan advanced, which bears interest at the prime rate plus 2.00%, and a 60% net profit joint venture partnership interest in the Grandview Estates project in Huntsville, Ontario. Interest income earned on loans advanced totaled approximately \$1.4 million (December 31, 2023, \$1.7 million). At December 31, 2024, the Company’s investment in the joint venture was \$16.5 million (December 31, 2023 - \$15.4 million).

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | 2024      | 2023      |
|------------------------------------|-----------|-----------|
| Balance, beginning of year         | \$ 15,404 | \$ 16,766 |
| Interest income                    | 1,389     | 1,711     |
| Additional investment, net         | (268)     | (3,073)   |
|                                    | \$ 16,525 | \$ 15,404 |

The Company also has a 20% net profit interest in the Paisley Land Development project in Huntsville, Ontario.

The Company accounts for its joint venture interests using the equity method of accounting, which are initially recognized at cost.

#### *Industrial Properties*

The Company's industrial properties include a \$38.0 million (December 31, 2023 - \$22.0 million) investment interest in a portfolio fund, which invests in property storage facilities across Canada, developed and managed by MakeSpace Inc.

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | <b>2024</b>      | 2023             |
|------------------------------------|------------------|------------------|
| Balance, beginning of year         | \$ 22,032        | \$ 12,082        |
| Additional investment, net         | 12,766           | 5,562            |
| Fair value adjustments             | 3,221            | 4,388            |
|                                    | <b>\$ 38,019</b> | <b>\$ 22,032</b> |

## 7. FOREST PROPERTIES

The Company's investments in forest properties comprise a 59% equity interest in common and participating preferred shares of Haliburton Forest and a \$20.0 million preferred share investment in Macer Forest Holdings Inc., which holds a 49% investment in Acadian Timber Corp. The Company's preferred share investment in Macer Forest Holdings Inc. is convertible into a 7% equity interest in Acadian Timber Corp. During 2024, the Company subscribed for an additional \$21.7 million participating preferred shares of Haliburton Forest.

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | <b>2024</b>      | 2023             |
|------------------------------------|------------------|------------------|
| Balance, beginning of year         | \$ 71,811        | \$ 56,012        |
| Additional investment              | 21,750           | 15,000           |
| Fair value adjustments             | 969              | 799              |
|                                    | <b>\$ 94,530</b> | <b>\$ 71,811</b> |

## 8. CORPORATE INVESTMENTS

The Company holds, directly and indirectly, investment interests in corporations with real estate and related infrastructure interests, including equity-accounted investments of \$41.8 million (December 31, 2023 - \$38.9 million). After deducting non-controlling interests of \$27.0 million (December 31, 2023 - \$23.8 million), Halmont's net effective interest in its corporate investments is approximately \$14.8 million (December 31, 2023 - \$15.1 million).

Changes in the carrying amounts of these investments are as follows:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | <b>2024</b>      | 2023             |
|------------------------------------|------------------|------------------|
| Balance, beginning of year         | \$ 38,946        | \$ 36,188        |
| Equity accounted income            | 2,901            | 2,758            |
| Balance, end of period             | 41,847           | 38,946           |
| Non-controlling interest           | (27,047)         | (23,829)         |
| Company's net investment           | <b>\$ 14,800</b> | <b>\$ 15,117</b> |

## 9. AMOUNTS PAYABLE AND OTHER

Amounts payable and other liabilities total \$7.3 million (December 31, 2023 - \$3.5 million), of which \$2.8 million (December 31, 2023 - \$3.1 million) represents a land lease liability related to a commercial property owned by the Company. The corresponding right-of-use asset is recorded within commercial properties on the consolidated balance sheet.

## 10. BANK LOAN

The Company has a \$10.0 million (December 31, 2023 - \$10.0 million) operating loan facility from a Canadian Chartered Bank. As of December 31, 2024, the Company had \$nil drawn on this facility (December 31, 2023 - \$0.003 million).

## 11. MORTGAGES PAYABLE

The Company's mortgages payable include a Vendor Take-Back (VTB) financing related to the acquisition of the joint operation property. The VTB is classified as a financial liability under IFRS 9 – Financial Instruments.

The VTB was issued on December 2, 2024, with a principal amount of \$22.5 million, bearing interest at 4.00% per annum. The mortgage is interest-only with monthly payments, with the full principal balance repayable at maturity on December 2, 2029.

The VTB is secured by the Company's 37.5% interest in the jointly controlled property and is measured at amortized cost which approximates its fair value as at December 31, 2024.

## 12. OTHER LOANS PAYABLE

As at December 31, 2024, and December 31, 2023, the Company's other loans payable are as follows:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 | Maturity Date     | Interest Rate | Interest Payments | 2024             | 2023             |
|------------------------------------|-------------------|---------------|-------------------|------------------|------------------|
| Secured loans                      | January 1, 2027   | prime + 0.5%  | Quarterly         | \$ 15,000        | \$ 15,000        |
|                                    | January 1, 2027   | 4.00%         | Quarterly         | 10,000           | 10,000           |
| Senior debentures                  | December 31, 2028 | 4.50%         | Annually          | 25,000           | 25,000           |
|                                    |                   |               |                   | <b>\$ 50,000</b> | <b>\$ 50,000</b> |

Interest paid on our secured loans totaled \$1.5 million (December 31, 2023 - \$1.5 million). Interest paid on our senior debentures totaled \$1.1 million (December 31, 2023 - \$1.1 million).

Other loans payable are measured at amortized cost, with the carrying amount approximating the fair value. As at the reporting date, no amounts were past due.

## 13. DUE TO AFFILIATES

The Company has a \$150.0 million (December 31, 2023 - \$60.0 million) credit facility from an affiliate that bears interest at the prime rate plus 0.5%, is unsecured, and is repayable on ten days' written notice after December 31, 2027. As at December 31, 2024, the Company had an outstanding balance of \$75.2 million (December 31, 2023 - \$18.3 million) and had paid interest totaling \$4.4 million (December 31, 2023 - \$1.4 million)

Due to affiliates is measured at amortized cost, with the carrying amount approximating its fair value. As at the reporting date, no amounts were past due.

## 14. INCOME TAXES

The reconciliation of income taxes computed at the statutory rates to income tax expense is as follows:

| (CAD\$ THOUSANDS)<br>FOR THE YEARS ENDED DEC. 31             | 2024         |          | 2023         |          |
|--|--------------|----------|--------------|----------|
| Tax at statutory rates on accounting income before provision | 26.50        | %        | 26.50        | %        |
| Portion of gain subject to different tax                     | (14.99)      |          | (16.61)      |          |
| Other  | 5.79         |          | 4.12         |          |
|  | <b>17.30</b> | <b>%</b> | <b>14.01</b> | <b>%</b> |

The Company's deferred tax expense for 2024 is \$3.1 million (December 31, 2023 – \$2.6 million), and its current income tax expense is \$0.7 million (December 31, 2023 – \$0.2 million). Current income taxes are aggregated with deferred income taxes and offset by tax instalments made during the year and are presented as income tax expense in the Company's Consolidated Statement of Net and Comprehensive Income.

Deferred tax liabilities primarily relate to the following: commercial properties – \$6.5 million, corporate investments – \$2.5 million, forest properties – \$0.9 million, and other – \$0.9 million.

Included within the deferred tax payable on the consolidated balance sheet is the current tax payable of \$0.7 million (December 31, 2023 - \$0.2 million).

## 15. FAIR VALUE GAINS (LOSSES), NET

Fair value gains (losses), net, for the years ended December 31 are comprised of the following:

| (CAD\$ THOUSANDS)<br>FOR THE YEARS ENDED DEC. 31 |    | 2024  |    | 2023   |
|--|----|-------|----|--------|
| Real estate                                      |    |       |    |        |
| Commercial properties                            | \$ | 3,792 | \$ | 7,587  |
| Industrial properties                            |    | 3,221 |    | 4,388  |
| Financial assets                                 |    |       |    |        |
| Property loans and other                         |    | (10)  |    | 268    |
|  | \$ | 7,003 | \$ | 12,243 |

The Company's commercial properties and investment in industrial properties are measured at fair value in accordance with IFRS 13 – *Fair Value Measurement*. Fair Value is determined using either the discounted cash flow approach, which is based on future free cash flow, or the direct capitalization approach, which analyzes the relationship of current projected stabilized net operating income to total property value.

The significant unobservable inputs used in the valuations include capitalization rates, discount rates, projected operating income, and terminal capitalization rates. The fair value measurements are categorized as Level 3 within the fair value hierarchy due to reliance on unobservable inputs.

As at December 31, 2024, the weighted average discount rate for the funds within the industrial property portfolio was 5.68% and 5.72%. The weighted average discounted rate for our commercial properties was 6.4%.

## 16. EQUITY

### a) Non-controlling Interests

Non-controlling interests include preferred shares and a 33% common share equity interest held by other shareholders in a subsidiary that holds the Company's corporate investments.

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31 |    | 2024   |    | 2023   |
|------------------------------------|----|--------|----|--------|
| Preferred shares                   | \$ | 12,720 | \$ | 12,000 |
| Common shares                      |    | 14,327 |    | 11,829 |
|                                    | \$ | 27,047 | \$ | 23,829 |

### b) Convertible Capital Notes

On December 31, 2021, the Company issued \$25.0 million subordinated convertible capital notes. The capital notes bear interest at 4.00% per annum payable annually, with an interest rate reset every five years commencing December 31, 2026, and are convertible into 31.3 million subordinate-voting common shares.

The capital notes mature on December 31, 2081, and are redeemable by the Company after December 31, 2026, at a price equal to 100% of the principal amount of the note, plus accrued and unpaid interest to the redemption date. In the event of non-payment of interest or principal when due, the capital notes are convertible at Halmont's discretion into subordinate-voting common shares.

**c) Common and Convertible Preferred Equity**

The Company's common and preferred equity is comprised as follows:

| (CAD\$ THOUSANDS)<br>AS AT DEC. 31                 | 2024              | 2023              |
|--|-------------------|-------------------|
| Series I convertible preferred shares              | \$ -              | \$ 20,000         |
| Series II convertible preferred shares             | 50,000            | -                 |
| Multiple-voting & subordinate-voting common shares | 141,337           | 103,497           |
|  | <b>\$ 191,337</b> | <b>\$ 123,497</b> |

On December 31, 2024, the Company redeemed its Series I convertible preferred shares by issuing 30.7 million subordinate-voting common shares and issued \$50.0 million Series II convertible preferred shares.

As of December 31, 2024, issued and outstanding shares comprised 83.9 million multiple-voting common shares which entitle their holdings to five votes for each share held (December 31, 2023 – 83.9 million), 70.8 million subordinate-voting common shares (December 31, 2023 – 40.0 million), and 50.0 million convertible preferred shares (December 31, 2023 – 20.0 million). The Company is authorized to issue an unlimited number of preferred and common shares with no stated par value.

The Company's \$50.0 million convertible preferred shares bear a 5.00% annual cumulative dividend and are convertible into 50.0 million subordinate-voting common shares on or before December 31, 2034.

**d) Normal Course Issuer Bid**

In February 2025, TSX Venture Exchange accepted notice of the Company's intention to renew a normal course issuer bid (NCIB) that allows the Company to purchase, between March 4, 2025, and March 3, 2026, 4,642,598 multiple-voting common shares. Shareholders may obtain a copy of this notice, without charge, by contacting the Company.

**17. BASIC AND DILUTED EARNINGS PER COMMON SHARE**

| (CAD\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS)<br>FOR THE YEARS ENDED DEC. 31 | 2024      | 2023      |
|--|-----------|-----------|
| Net income available to common shareholders - basic                        | \$ 15,524 | \$ 15,722 |
| Weighted average number of common shares issued                            | 124,024   | 123,940   |
| Basic Net Income per common share  | 12.52¢    | 12.69¢    |
| Net income attributable to common shareholders - diluted                   | \$ 17,059 | \$ 17,257 |
| Weighted average number of common shares issued plus dilution              | 185,096   | 185,959   |
| Diluted Net Income per common share  | 9.17¢     | 9.28¢     |

**18. OTHER INFORMATION**

**a) Related Party Transactions**

Related parties include subsidiaries, associates, joint ventures, and key management personnel who have the authority and responsibility for planning, directing, and controlling the Company's activities. The Company's directors provide oversight of the business and do not plan, direct, or control the activities of the Company directly.

Related party transactions with corporate investees are in the normal course of operations and are recorded at the exchange amounts agreed to between the parties.

The Company has investments in Brookfield Corporation, Brookfield Asset Management Ltd., Acadian Timber Corp., and Haliburton Forest.

The remuneration of key management personnel of the Company during the year totaled \$160,000 (December 31, 2023 – \$160,000).

**b) Segmented Information**

IFRS 8, Operating Segments, requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision maker (“CODM”) for the purpose of allocating resources to the segment and to assessing its performance. The Company’s operating segments are organized into three reportable segments (i) Real Estate, (ii) Forest Properties, (iii) Financial Assets. These segments are independently and regularly reviewed and managed by the Chief Executive Officer, who is considered the CODM.

The following summarizes the total revenue of each of the Company’s operating segments.

| (CAD\$ THOUSANDS)<br>FOR THE YEARS ENDED DEC. 31 | <b>2024</b>      | 2023      |
|--|------------------|-----------|
| Real estate                                      | <b>\$ 19,112</b> | \$ 12,441 |
| Forest properties                                | <b>4,347</b>     | 3,233     |
| Financial assets                                 | <b>8,567</b>     | 12,299    |
| <b>Total</b>                                     | <b>\$ 32,026</b> | \$ 27,973 |

The following table summarizes certain financial information for the Company’s operating segments as at December 31, 2024:

| (CAD\$ THOUSANDS) | Lease           | Dividend        | Equity          | Interest        | FV<br>Adjustment,<br>net | Other         | Total            |
|-------------------|-----------------|-----------------|-----------------|-----------------|--------------------------|---------------|------------------|
| Real estate       | \$ 4,123        | \$ -            | \$ 6,597        | \$ 1,389        | \$ 7,003                 | \$ -          | \$ 19,112        |
| Forest properties | -               | 3,378           | -               | -               | -                        | 969           | 4,347            |
| Financial assets  | -               | 622             | 2,901           | 5,054           | (10)                     | -             | 8,567            |
| <b>Total</b>      | <b>\$ 4,123</b> | <b>\$ 4,000</b> | <b>\$ 9,498</b> | <b>\$ 6,443</b> | <b>\$ 6,993</b>          | <b>\$ 969</b> | <b>\$ 32,026</b> |

**c) Financial Instruments**

All of the Company’s financial instruments are carried at amounts that approximate fair value based on Level 3 inputs under IFRS 13 fair value hierarchy. The fair value of receivables is estimated using the present value of future cash flows, based on current interest rates for financial instruments with similar conditions and maturity. The fair value of the Company’s investment in forest properties is determined based on prescribed values per contractual agreements.

The following table presents the contractual maturities of the Company’s financial liabilities at December 31, 2024:

| (CAD\$ THOUSANDS)          | 1 to 3 Years      | 4 to 5<br>Years  | Thereafter  | Total             |
|----------------------------|-------------------|------------------|-------------|-------------------|
| Bank loan                  | \$ -              | \$ -             | \$ -        | \$ -              |
| Accounts payable and other | 7,317             | -                | -           | 7,317             |
| Mortgage payable           | -                 | 22,500           | -           | 22,500            |
| Due to affiliates          | 75,261            | -                | -           | 75,261            |
| Other loans payable        | 25,000            | 25,000           | -           | 50,000            |
|                            | <b>\$ 107,578</b> | <b>\$ 47,500</b> | <b>\$ -</b> | <b>\$ 155,078</b> |

**d) Capital Management**

The permanent capital available to pursue the Company's operations as at December 31, 2024, was \$243.3 million (December 31, 2023 - \$172.3 million), comprised of \$ 191.3 million (December 31, 2023 – \$123.5 million) attributable to the Company's shareholders, \$27.0 million (December 31, 2023 – \$23.8 million) attributable to non-controlling interests, and \$25.0 million (December 31, 2023 - \$25.0 million) attributable to subordinated capital note holders.

The Company's objectives when managing its capital are to maintain sufficient capital to support its operations and to enable it to respond to investment opportunities should they arise. The Company is in compliance with all covenants and other capital requirements arising from the regulatory or contractual obligations of material consequence to the Company. The Company's approach to capital management was unchanged during the year.

**19. FINANCIAL PRESENTATION**

The prior year's financial information has been reclassified to conform with the current year's presentation.

The Company reclassified marketable securities from 'Corporate Investments' to 'Property Loans and Other' on the balance sheet to present assets in order of their liquidity. This change better reflects the financial statement's structure and presentation objectives. Comparative information has been adjusted accordingly.

The Company revised the presentation of its real estate assets to better reflect their nature and use. Previously, real estate assets were presented under Commercial Properties and Institutional Properties, now the Company discloses them under Commercial Properties and Residential and Industrial Properties. Comparative information has been adjusted accordingly.

# **HALMONT PROPERTIES** **CORPORATION**

## **DIRECTORS**

**Claude A. Doughty**

Huntsville, ON

**Heather M. Fitzpatrick**

Toronto, ON

**Randal L. Froebelius**

Toronto, ON

**M. Diane Horton\***

Toronto, ON

**David W. Kerr\***

Toronto, ON

**Timothy R. Price\***

Toronto, ON

*\*Members of the Audit and Corporate Governance Committee*

## **OFFICERS**

**David W. Kerr**

Chairman

**Heather M. Fitzpatrick**

President & CEO

**Randal L. Froebelius**

Property Management

**Ines N. Zaloshnja**

Chief Financial Officer

**Anthony E. Rubin**

Secretary & Treasurer

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