MAPLEWOOD
INTERNATIONAL REIT

Consolidated Financial Statements

(In Canadian Dollars)

For the three and six months ended June 30, 2018

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the REIT have been prepared by and are the responsibility of the REIT's management. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Maplewood International Real Estate Investment Trust
Consolidated Balance Sheet (unaudited)
(In Canadian Dollars)

	Notes	June 30, 2018	December 31, 2017
Assets			
Non-current assets			
Investment property	4	**$ 11,240,000**	$ 11,020,000
		11,240,000	11,020,000
Current assets			
Cash and cash equivalents		**301,548**	195,617
Amounts receivable and other assets	5	**34,162**	17,650
		335,710	213,267
Total assets		**$ 11,575,710**	$ 11,233,267
Liabilities and Unitholders' Equity			
Non-current liabilities			
Deferred income tax liabilities	15	**$ 208,000**	$ 208,000
		208,000	208,000
Current Liabilities			
Amounts payable and accrued liabilities	10	**83,328**	91,039
Current portion of long-term debt	6	**5,474,166**	5,457,306
		5,557,494	5,548,345
Total liabilities		**$ 5,765,494**	$ 5,756,345
Unitholder's equity		**$ 5,810,216**	$ 5,476,922
Total liabilities and unitholders' equity		**$ 11,575,710**	$ 11,233,267

Basis of presentation (see note 2(b))

On behalf of the Board of Trustees:

"Nick Kanji"______________________ Trustee "Kursat Kacira"_____________________ Trustee

See accompanying notes to the consolidated financial statements

Maplewood International Real Estate Investment Trust
Consolidated Statements of Income and Comprehensive Income (unaudited)
(In Canadian Dollars)

	Notes	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Investment property revenue		**$ 247,282**	$ 234,856	**$ 497,024**	$ 458,802
Investment property operating expenses		**(17,203)**	(18,940)	**(34,478)**	(33,920)
Net property income		**230,079**	215,916	**462,546**	424,882
Net property income					
Finance costs - operations		**(49,597)**	(49,828)	**(100,292)**	(97,071)
General and administrative expenses	12	**(44,138)**	(88,456)	**(98,328)**	(145,040)
Asset management fees		**-**	-	**-**	(6,178)
Operating income		**136,344**	77,632	**263,926**	176,593
Fair value adjustments to investment property		**-**	-	**(38,843)**	-
Net income (loss)		**136,344**	77,632	**225,083**	176,593
Other comprehensive income (loss)					
Foreign currency translation adjustments		**(210,614)**	196,477	**108,211**	228,614
Comprehensive income (loss)		**$ (74,270)**	$ 274,109	**$ 333,294**	$ 405,207

See accompanying notes to the consolidated financial statements

(In Canadian Dollars)

	Unit capital	**Income**	**Accumulated other comprehensive income**	**Total**
Unitholders' equity at January 1, 2018	**$ 4,439,101**	**$ 729,279**	**$ 308,542**	**$ 5,476,922**
Net income and comprehensive income	**-**	**225,083**	**108,211**	**333,294**
Unitholders' equity at June 30, 2018	**$ 4,439,101**	**$ 954,362**	**$ 416,753**	**$ 5,810,216**

	Unit capital	Income	Accumulated other comprehensive income	Total
Unitholders' equity at January 1, 2017	$ 4,439,101	$ (53,934)	$ 6,795	$ 4,391,962
Net income and comprehensive loss	-	176,592	228,614	405,206
Unitholders' equity at June 30, 2017	$ 4,439,101	$ 122,658	$ 235,409	$ 4,797,168

See accompanying notes to the consolidated financial statements

Maplewood International Real Estate Investment Trust
Consolidated Statements of Cash Flows (unaudited)
(In Canadian Dollars)

	Notes	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Cash flows from operating activities:					
Net income (loss)		**$ 136,344**	$ 77,632	**$ 225,083**	$ 176,593
Fair value adjustments to investment property		**-**	-	**38,843**	-
Change in non-cash working capital items:					
Amounts receivable and other assets		**(21,106)**	5,836	**(16,512)**	(16,719)
Amounts payable and accrued liabilities		**(35,546)**	(17,067)	**(7,711)**	(46,674)
Cash flow from operating activities		**79,692**	66,401	**239,703**	113,200
Cash flows from financing activities:					
Principal repayment of long-term debt		**(44,350)**	(46,262)	**(92,003)**	(88,972)
Cash flow from financing activities		**(44,350)**	(46,262)	**(92,003)**	(88,972)
Cash flows from investing activities:					
Building improvements		**-**	-	**(39,711)**	-
Cash flow from investing activities		**-**	-	**(39,711)**	-
Increase (decrease) in cash and cash equivalents during the year		**35,342**	20,139	**107,989**	24,228
Effects of exchange rate change on cash		**(7,410)**	3,438	**(2,058)**	1,850
Cash and cash equivalents, beginning of period		**273,616**	163,861	**195,617**	161,360
Cash and cash equivalents, end of period		**$ 301,548**	$ 187,438	**$ 301,548**	$ 187,438

See accompanying notes to the consolidated financial statements

1. Nature of operations

Maplewood International Real Estate Investment Trust (the "REIT") is an unincorporated, open ended real estate investment trust, established under the laws of the Province of Ontario, pursuant to the Declaration of Trust dated May 30, 2013, as amended and restated on September 9, 2013 (the "DOT"). The registered office of the REIT is located at 2425 Matheson Boulevard East, Suite 791, Mississauga, Ontario, Canada.

Prior to its reorganization as a real estate investment trust, the REIT was known as Holland Global Capital Corporation (the "Corporation"), a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV"). The Corporation was incorporated under the Business Corporations Act (Ontario) on January 15, 2013 and completed its initial public offering on April 5, 2013. The shares of the Corporation were listed on the TSXV on April 11, 2013. Prior to completing the Plan of Arrangement on September 9, 2013, there were 40,500,000 shares of the Corporation issued and outstanding.

Pursuant to the Plan of Arrangement approved on September 9, 2013 by the Corporation's shareholders and the TSXV, the common shares of the Corporation were exchanged, based on an exchange ratio of eight-for-one, for either REIT Units or Class B LP Units of Maplewood International Limited Partnership ("MILP"), a wholly-owned subsidiary of the REIT. In addition, outstanding options or warrants to purchase shares in the Corporation were exchanged for REIT Unit options or warrants having identical terms, subject to the adjustment of the number of Units based on the exchange ratio of one REIT Unit for every eight shares held. The REIT is the continuing public entity with its Units listed on the TSXV, under the symbol MWI.UN.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements prepared under International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the REIT's annual consolidated financial statements as at and for the year ended December 31, 2017. These unaudited condensed consolidated interim financial statements have not been reviewed by an independent accounting firm.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Trustees of the REIT on July 30, 2018.

(b) Basis of presentation

On March 22, 2016, the REIT's unitholders approved the special Sale and Termination Resolution, including (i) the sale of the REIT's sole investment property in the Netherlands (the "Property"), which comprises substantially all of the assets of the REIT; and (ii) the termination of the REIT pursuant to the terms of the REIT's declaration of trust. The REIT intended to use the proceeds from the sale of the Property to repay its remaining outstanding liabilities, and to distribute to the Unitholders its net cash after realization of its assets and settlement of its liabilities and subsequently wind-up the REIT. As a result, the REIT's financial statements were prepared on a liquidation basis for the years ended December 31, 2016 and December 31, 2015.

During 2017, the REIT expanded the scope of the value maximization process to consider additional strategic alternatives for the REIT, including holding the Property indefinitely and not terminating the REIT. Notwithstanding this expanded scope, as at December 31, 2017, there was no sale of the Property and no termination of the REIT being considered or expected and as a result, the REIT determined that it was appropriate to present the financial statements on a going concern basis versus on a liquidation basis.

Notwithstanding the subsequent event disclosed herein (see note 15), the REIT has determined that it is appropriate to continue presenting the financial statements on a going concern basis versus on a liquidation basis.

The consolidated financial statements comprise the financial statements of the REIT and its subsidiaries. Subsidiaries are entities controlled by the REIT. The financial statements of the subsidiaries are prepared for the same reporting periods as the REIT using consistent accounting policies. All intercompany transactions and balances between the REIT and its subsidiary entities have been eliminated upon consolidation.

The entities included in the REIT's consolidated financial statements are as follows:

Entity	Type	Relationship
Maplewood International Real Estate Investment Trust (“REIT”)	Trust	Parent
Maplewood International General Partner Corporation (“MIGP”)	Corporation	100% owned by REIT
Maplewood International Limited Partnership (“MILP”)	Partnership	99.99% owned by REIT and 0.01% owned by MIGP
Maplewood International Operating General Partner Corporation (“MIOGP”)	Corporation	100% owned by MILP
Maplewood International Operating Limited Partnership (“MILP”)	Partnership	99.99% owned by MILP and 0.01% owned by MIOGP
Maplewood International Holdings B.V.	Dutch B.V.	100% owned by MIOLP

(c) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis (see note 2(b)). The REIT has considered whether any adjustments to the carrying values of the assets and liabilities were required as a result of reverting the basis of accounting from liquidation accounting to going concern basis and determined there was one adjustment required in the current year for the reversal of the accrued severance cost described in note 12. The remaining assets and liabilities are carried at their fair value therefore no other adjustments were required.

3. Significant accounting policies

The accounting policies applied by the REIT in these unaudited condensed consolidated interim financial statements are the same as those applied by the REIT as at December 31, 2017 and December 31, 2016.

4. Investment property

The reconciliation of the carrying amount of investment property for the six months ended June 30, 2018 and for the year ended December 31, 2017 is set out below:

Opening balance, investment property, January 1, 2017	$	9,891,000
Additions to investment property:		
Building improvements		138,913
Fair value adjustment		355,402
Foreign currency translation		634,685
Balance, investment property, December 31, 2017	**$**	**11,020,000**
Additions to investment property:		
Building improvements		39,711
Fair value adjustment		(38,843)
Foreign currency translation		219,132
Balance, investment property, June 30, 2018	**$**	**11,240,000**

5. Amounts receivable and other assets

	June 30, 2018	December 31, 2017
Amounts receivable	**$ 4,189**	$ 1,450
Prepaid expenses	**29,973**	16,200
	$ 34,162	$ 17,650

6. Long-term debt

As at June 30, 2018, the REIT had $5,474,166 (€3,570,000) of principal amount of mortgages payable (December 31, 2017, $5,457,306, or €3,630,000). The mortgages carry a weighted average interest rate of 3.60% (December 31, 2017, 3.60%) and a weighted average term to maturity of 0.3 years (December 31, 2017, 0.75 years). One mortgage has a fixed rate and one mortgage has a variable rate. The mortgages are secured by a first charge on the investment property and are repayable as follows:

	Scheduled principal payments	Debt maturing during the year	Total mortgages payable
2018	$ 46,001	$ 5,428,165	$ 5,474,166
			$ 5,474,166

On July 12, 2016, the REIT announced that, further to its press release dated December 31, 2015 describing the execution of the lease amendment on the Property and the required capital investment in the Property by the REIT in the maximum amount of €140,000 (the "Capital Investment"), the REIT secured committed debt financing from the existing mortgage lender on the Property to fully finance the Capital Investment, which has been structured and funded by the Lender as an addition to the REIT's existing mortgage debt on the Property in the amount of €140,000. The Capital Investment is comprised of specified building improvements that Management believes will enhance the quality and functionality of the Property. To date, the REIT has completed €140,000 of the Capital Investment.

7. Unitholders' capital

(a) Units

The REIT is authorized to issue an unlimited number of Units and an unlimited number of special voting units (the "Special Voting Units"). Each Unit confers the right to one vote at any meeting of unitholders and to participate pro rata in all distributions by the REIT and, in the event of termination or winding up of the REIT, in the net assets of the REIT. The unitholders have the right to require the REIT to redeem their Units on demand. The Units have no par value. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall cease and the holder thereof shall be entitled to receive a price per Unit (the "Redemption Price"), as determined by a formula and outlined in the DOT. The Redemption Price will be paid in accordance with the conditions provided for in the DOT.

The Trustees have discretion in respect to the timing and amounts of distributions.

(b) Special voting units

The DOT and the exchange agreement provide for the issuance of the Special Voting Units which have no economic entitlement in the REIT or in the distribution or assets of the REIT, but are used to provide voting rights proportionate to the votes of the Units to holders of securities exchangeable into Units, including the Class B LP Units. Each Special Voting Unit is not transferable separately from the Class B LP Unit to which it is attached and will be automatically redeemed and cancelled upon exchange of the attached Class B LP Unit into a Unit. As the Special Voting Units have no economic entitlement in the REIT, no value has been assigned to the Special Voting Units in these consolidated financial statements.

(c) Units outstanding

As at June 30, 2018, the REIT had 5,980,037 Units outstanding.(December 31, 2017, 5,980,037)

	Units		Amount
Balance, June 30, 2018	5,980,037	$	4,439,101

8. Unit options

The REIT has adopted a Unit based compensation plan (the "Plan"). Under the terms of the Plan, the Board of Trustees of the REIT may from time to time, in its discretion, and in accordance with Exchange requirements, grant trustees, officers, employees and consultants to the REIT, non-transferable options to purchase REIT Units, exercisable for a period of up to five years from the date of grant. These Units vest according to the vesting schedule over a three year period from the grant date. The total numbers of REIT Units reserved under option for issuance may not exceed 10% of the REIT Units outstanding.

The unit options expired on April 5, 2018.

9. Amounts payable and accrued liabilities

	June 30, 2018	December 31, 2017
Amounts payable	**$ -**	$ 494
Accrued liabilities	**33,357**	70,643
VAT payable	**49,971**	19,902
	$ 83,328	$ 91,039

10. Capital management

The REIT defines its capital as the aggregate of unitholders' equity and mortgages payable. The REIT's objectives when managing capital are to safeguard and build long-term unitholder value fund its ongoing long-term business strategies and provide reasonable returns to unitholders taking into account levels of risk.

The REIT's Declaration of Trust provides that total indebtedness of the REIT may not exceed 65% of the Gross Book Value as defined; as at June 30, 2018, this ratio was 47.3% according to the calculation as defined in the Declaration of Trust (December 31, 2017, 48.6%).

11. Risk management and fair values

(a) Risk management

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are as follows:

(i) Interest rate risk:

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining long-term mortgages with fixed interest rates minimizes cash flow risk. One of the REIT's outstanding mortgages is subject to floating interest rate. For the six months ended March 31, 2018, a 100-basis-point change in interest rates would have resulted in a $13,978 change in the REIT`s interest expense.

(ii) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The REIT is subject to credit risk with respect to its cash and cash equivalents. The REIT mitigates credit risk by depositing cash with and investing with chartered banks.

As at June 30, 2018, the REIT had a single tenant, resulting in concentration of credit risk. The REIT mitigates the credit risk with respect to the tenant by evaluating their creditworthiness on a periodic basis.

The REIT's amounts receivable of $4,189 are primarily input tax credits on HST paid, for which management consider the collection risk to be minimal.

(iii) Liquidity risk

Liquidity risk is the risk that the REIT will not have the financial resources required to meet its financial obligations as they become due. The REIT manages this risk by ensuring it has sufficient cash and cash equivalents on hand to meet obligations as they become due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to the REIT. Management's strategy mitigates the REIT's exposure to excessive amounts of debt maturing in any one year.

The estimated maturities of the REIT's financial liabilities, excluding options, are outlined below:

	Amounts payable and accrued liabilities	Long-term debt	Total
2018	$ 83,328	$ 5,474,166	$ 5,557,494

(iv) Currency risk:

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The REIT's functional and presentation currency is Canadian dollars. The REIT's operating subsidiaries' functional currency is the Euro; accordingly the assets and liabilities are translated at the prevailing rate at period-end, and comprehensive income is translated at the average rate for the period. The REIT may periodically enter into derivative contracts to manage part of the foreign exchange risk exposures.

For the six months ended June 30, 2018, a $0.10 strengthening in the Euro against the Canadian dollar would have increased net income by approximately $13,000 and unrealized foreign currency translation adjustment included in other comprehensive loss by approximately $839,000. Conversely, a $0.10 weakening in the Euro against the Canadian dollar would have had an equal but opposite effect.

(b) Fair values

The fair values of the REIT's financial assets, which include cash and other receivables, as well as financial liabilities, which include tenant rental deposits, finance costs payable and accounts payable and accrued liabilities, approximate their recorded values due to their short-term nature.

The REIT uses a fair value hierarchy to categorize the type of valuation techniques from which fair values are derived. The REIT's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The following table provides information on financial assets and liabilities measured at fair value as at March 31, 2018:

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment property	$ -	$ 11,240,000	$ -	$ 11,240,000
Total financial assets	$ -	$ 11,240,000	$ -	$ 11,240,000
Financial liabilities				
Mortgages payable	$ -	$ 5,474,166	$ -	$ 5,474,166
Total financial liabilities	$ -	$ 5,474,166	$ -	$ 5,474,166

There were no transfers between Level 1, Level 2 or Level 3 for the six months ended June 30, 2018.

12. Management Compensation

Key management personnel have received $25,112 as employment compensation for the three months ended June 30, 2018 and $57,926 for the three months ended June 30, 2017; $50,270 for the six months ended June 30, 2018 and $107,620 for the six months ended June 30, 2017.

In the prior year, as part of the expanded scope of the REIT's value maximization process, severance costs relating to key management personnel in the amount of $190,000 were accrued and expensed within general and administrative expenses. Due to changes in circumstances regarding the sale of the Property as at December 31, 2017, it was determined this severance accrual no longer meets the recognition criteria of IAS 19, Employee Benefits, and this amount was reversed through general and administrative expenses in the year ended December 31, 2017. As at June 30, 2017 and not withstanding the subsequent event disclosed herein (see note 15), the aforementioned determination continues to apply and accordingly no severance accrual has been recorded.

13. Operating lease

The REIT receives rental income from an operating lease. The minimum future base rent payments to the REIT under this non-cancelable operating lease is $474,564 for the remainder of 2018 and $989,129 annually for 2019 to 2026. The rent is inflation indexed annually on January 1.

14. Income taxes

The REIT has certain subsidiaries in the Netherlands that are taxable for income tax purposes in the Netherlands. The effective tax rate for the year differs from the expected statutory tax rate in the Netherlands as a result of the following:

	June 30 2018	June 30 2017
Statutory income tax rates in the Netherlands on taxable income	25%	25%
Statutory income tax rates applied to accounting income	$ 56,271	$ 44,148
Taxable (loss) income attributable to unitholders and other	(56,271)	(44,148)
Provision for income taxes	$ -	$ -

The following table reflects the REIT's deferred income tax assets (liabilities):

	June 30 2018	December 31 2017
Deferred tax liabilities related to difference in tax and book basis of investment property	$ (230,000)	$ (230,000)
Deferred tax assets related to tax loss carry forward	22,000	22,000
Deferred tax assets (liabilities)	$ (208,000)	$ (208,000)

15. Subsequent event

On July 23, 2018, the REIT announced that it has filed a management information circular (the “Circular”) in connection with a special meeting of unitholders of the REIT (the “Unitholders”) to be held on August 13, 2018 to approve the sale of the REIT’s sole investment property in the Netherlands (the “Property”), which comprises substantially all of the assets of the REIT, and the special distribution to Unitholders of the net cash proceeds from the sale of the Property, all as more particularly described in the Circular.