



INVESQUE INC.
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2023
March 15, 2024

TABLE OF CONTENTS

| | |
|--|----|
| CERTAIN REFERENCES, FORWARD-LOOKING STATEMENTS, MARKET AND INDUSTRY DATA | 3 |
| NON-IFRS MEASURES | 4 |
| CORPORATE STRUCTURE | 5 |
| GENERAL DEVELOPMENT OF THE BUSINESS..... | 6 |
| DESCRIPTION OF THE BUSINESS..... | 9 |
| REAL ESTATE PORTFOLIO | 17 |
| RISK FACTORS | 29 |
| INDEBTEDNESS | 43 |
| DIVIDEND POLICY | 51 |
| DESCRIPTION OF CAPITAL STRUCTURE | 51 |
| DIRECTORS AND OFFICERS..... | 56 |
| AUDIT COMMITTEE | 60 |
| LEGAL PROCEEDINGS AND REGULATORY ACTIONS | 61 |
| INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS | 62 |
| TRANSFER AGENT AND REGISTRAR..... | 62 |
| MATERIAL CONTRACTS | 62 |
| INTERESTS OF EXPERTS..... | 62 |
| ADDITIONAL INFORMATION..... | 62 |
| GLOSSARY OF TERMS..... | 63 |
| APPENDIX A | 67 |
| CHARTER OF THE AUDIT COMMITTEE (the “Charter”)..... | 67 |

CERTAIN REFERENCES, FORWARD-LOOKING STATEMENTS, MARKET AND INDUSTRY DATA

Unless otherwise indicated, information provided in this Annual Information Form is presented as of December 31, 2023. For an explanation of the capitalized terms and expressions used in this Annual Information Form, please refer to the “GLOSSARY OF TERMS.” Unless otherwise indicated or the context requires otherwise, the “Corporation,” the “Company,” “Invesque,” or a reference to “we” and “our” refers to Invesque Inc. and its direct or indirect subsidiaries. With respect to dollar amounts referenced herein, “\$” refers to United States currency and “CAD\$” refers to Canadian currency.

This Annual Information Form contains “forward-looking information” as defined under Canadian securities laws (collectively, “forward-looking statements”), which reflects the current expectations of Invesque’s management (“Management”) and directors (“Directors”) of the Corporation about the future results, performance, achievements, prospects, goals, and opportunities of the Corporation. Wherever possible, the words “may,” “will,” “estimate,” “expect,” “anticipate,” “believe,” “continue,” “intend,” and similar variations or expressions of such words are used to identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Statements containing forward-looking information are not historical facts but instead represent Management’s expectations, estimates, and projections regarding future events or circumstances. In particular, certain statements in this Annual Information Form discuss the Corporation’s anticipated outlook of future events, which include, but are not limited to, statements with respect to:

- the ability of the Corporation to execute its growth strategies;
- the Corporation’s competitive position within its industry;
- any expectations regarding laws, rules and regulations applicable to the Corporation;
- any projections of financial performance of the Corporation for the periods set forth herein;
- the expected tax treatment of the Corporation’s dividends to Shareholders; and
- the expected seniors housing and health care industry and demographic trends.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, although deemed reasonable by Management of the Corporation as of the date of this Annual Information Form, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. These estimates and assumptions, which may prove to be incorrect, consist of the various assumptions set forth herein, including, but not limited to, future growth potential, operational results, future prospects and opportunities, demographic and industry trends remaining unchanged, future levels of indebtedness, the tax laws currently in effect, and current economic conditions remaining unchanged.

When relying on forward-looking statements to make decisions, readers are cautioned not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results and do not necessarily constitute accurate indications that such performance or results will be achieved at the times prescribed herein. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors described and discussed under “RISK FACTORS.” Although Management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not presently known that Management believes are not material but that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

These forward-looking statements are made as of the date of this Annual Information Form and, except as expressly provided by applicable securities law, Management of the Corporation assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. All forward-looking statements in this Annual Information Form are qualified by these cautionary statements.

This Annual Information Form includes certain market and industry data and forecasts obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by Management on the basis of its knowledge of the industry in which the Corporation operates (including Management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the health care real estate industry has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although Management believes it to be reliable, the Corporation has not independently verified any of the data from Management or third-party sources referred to in this Annual Information Form or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

NON-IFRS MEASURES

The Corporation reports its financial results in accordance with IFRS. Included in this Annual Information Form are certain non-IFRS financial measures as supplemental indicators used by Management to track the Corporation's performance. These non-IFRS measures are FFO and AFFO. EBITDAR is not a non-IFRS measure currently used by the Corporation but is a non-IFRS measure used by the operators of the Corporation's properties.

"FFO" means net income in accordance with IFRS, (i) plus or minus fair value adjustments of investment properties; (ii) plus or minus gains or losses from sales of investment properties; (iii) plus or minus certain other fair value adjustments; (iv) plus transaction costs expensed as a result of the purchase of property being accounted for as a business combination; (v) plus property taxes accounted for under IFRIC 21; (vi) plus allowance for credit losses on loans and interest receivable; (vii) plus accretion and amortization of non-cash adjustments to Convertible Debentures; and (viii) plus deferred income tax expense and current income tax expense, after adjustments for equity accounted entities calculated to reflect FFO on the same basis as consolidated properties and adjustments for non-controlling interests. In addition to complying with RealPac's explicit guidance on the calculation of FFO, the Company considers the following amounts in the calculation to more accurately measure the performance of its underlying operations:

- i. Accretion expense and amortization of non-cash adjustments to convertible debentures; and
- ii. Debt extinguishment and refinancing costs.

The use of FFO, a non-IFRS measure, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the operating results of the Corporation. FFO presents an operating performance measure that provides a perspective on the financial performance that is not immediately apparent from net income determined in accordance with IFRS.

FFO is a financial measure not defined under IFRS, and FFO, as presented herein, may not be comparable to similar measures presented by other real estate investment trusts or real estate enterprises.

To the extent the Corporation's 2022 Convertible Debentures and 2023 Convertible Debentures, defined below, were dilutive to FFO per share, the related interest, amortization, and accretion expense has been added back to calculate a diluted FFO for purposes of calculating diluted FFO per share.

The Corporation maintains the view that AFFO is an effective measure of cash generated from operations, after providing for certain adjustments.

"AFFO" means cash provided by operating activities, subject to certain adjustments, which include: (i) adjustments for certain non-cash working capital items that are not considered indicative of sustainable economic cash flows available for distribution; (ii) adjustments for interest expense on the credit facilities and mortgages payable that is included in finance costs; (iii) adjustments for cash paid for interest; (iv) add backs for compensation expense related to the Corporation's deferred share incentive plan; (v) add backs for payments received under the Corporation's income support agreements and development lease arrangements; (vi) add backs for the write-off of deferred financing costs from refinancing; and (vii) other adjustments as determined by the Directors of the Corporation in their sole discretion.

In addition to complying with RealPac’s explicit guidance on the calculation of AFFO, the Company considers the following amounts in the calculation to more accurately measure the performance of its underlying operations:

- i. Transaction costs;
- ii. Debt extinguishment and refinancing costs; and
- iii. Accretion expense and amortization of non-cash adjustments to convertible debentures

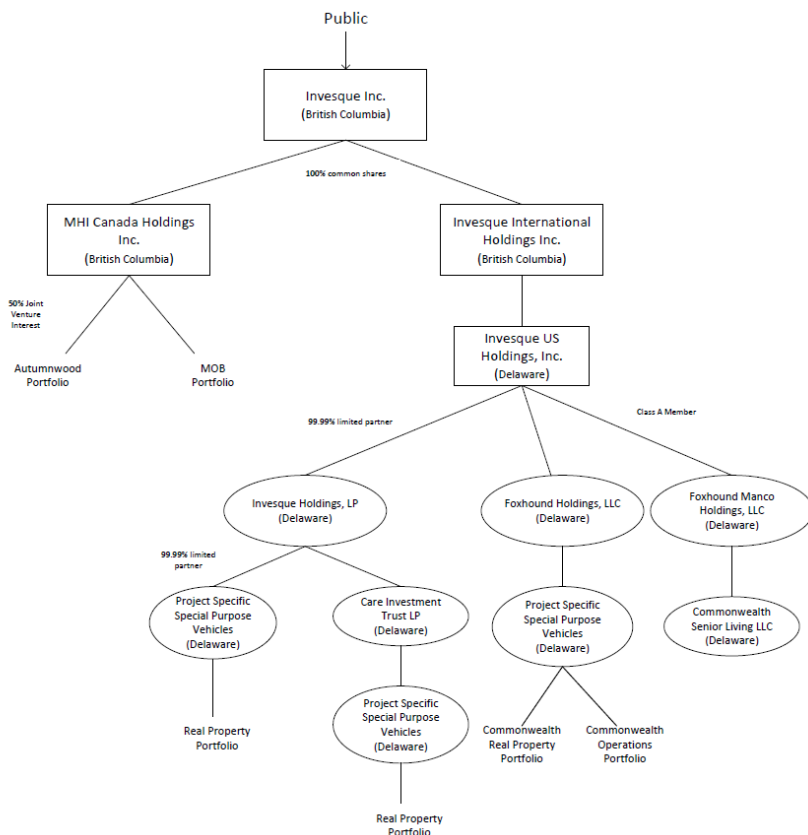
AFFO is a financial measure not defined under IFRS, and AFFO, as presented herein, may not be comparable to similar measures presented by other real estate investment trusts or real estate enterprises.

To the extent the Corporation's 2022 Convertible Debentures and 2023 Convertible Debentures, defined below, were dilutive to AFFO per share, the related interest has been added back to calculate a diluted AFFO for purposes of calculating diluted AFFO per share.

FFO and AFFO are supplemental measures used by Management to track the Corporation’s performance. Management believes these terms reflect the operating performance and cash flows of the Corporation, respectively. The Corporation believes that AFFO and AFFO per share provide the most effective metric by which to evaluate performance of the Corporation and to most accurately identify cash flows available for distribution to Shareholders.

CORPORATE STRUCTURE

Invesque Inc. is a corporation continued under the BCBCA. The registered office of the Corporation is located at 700 W Georgia Street, 25th Floor, Vancouver, British Columbia, V7Y 1B3, and the head office of the Corporation is located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7. The following chart shows the names of the material subsidiaries of the Corporation, their respective jurisdictions of incorporation and the percentages of votes attaching to all voting securities of each material subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the Corporation as of the date of this Annual Information Form:



Material Amendments to Constatng Documents

On December 21, 2017, a Notice of Alteration was filed to amend the Corporation's Articles to provide for the Series 1 Preferred Share terms. On January 3, 2018, a Notice of Alteration was filed, and the Corporation received a Certificate of Change of Name effecting the change of the Corporation's name to Invesque Inc., as described below (see "GENERAL DEVELOPMENT OF THE BUSINESS"). On February 8, 2018, a Notice of Alteration was filed to amend the Corporation's Articles to provide for the Series 2 Preferred Share terms. On March 28, 2018, a Notice of Alteration was filed to amend the Corporation's Articles to provide for the Series 3 Preferred Share terms. On August 23, 2019, a Notice of Alteration was filed to amend the Corporation's Articles to provide for the Series 4 Preferred Share terms.

GENERAL DEVELOPMENT OF THE BUSINESS

History of the Business

The Corporation began operations in 2008 as "Kingsway Arms Retirement Residences Inc." when it completed a qualifying transaction (as defined in the policies of the TSXV).

Reverse Takeover

On April 4, 2016, pursuant to the terms of a share purchase agreement, the Corporation acquired all of the IVQ Holdco Shares held by Mainstreet, representing approximately 75% of the issued and outstanding IVQ Holdco Shares, in consideration for the issuance of 81,160,000 pre-Consolidation Common Shares and 307,659,850 pre-Consolidation Non-Voting Shares to Mainstreet, representing approximately 95% of the issued and outstanding Shares. The transaction constituted a reverse takeover of the Corporation for purposes of applicable Canadian securities laws and the policies of the TSXV. In particular, a reverse takeover generally means a transaction that involves an issuer issuing securities from its treasury to purchase another entity or significant assets, where the owners of the other entity or assets acquire control of the issuer. On completion of the reverse takeover, the remaining 25% of the issued and outstanding IVQ Holdco Shares were held by the Funds. In connection with the reverse takeover, the Corporation changed its name to "Mainstreet Health Investments Inc.". In 2018, the Corporation changed its name to "Invesque Inc." See "GENERAL DEVELOPMENT OF THE BUSINESS – Name Change and Rebranding."

Common Share Offering

On June 2, 2016, pursuant to the Offering, the Corporation issued a total of 9,500,000 Common Shares (at \$10.00 per Common Share), pursuant to a prospectus dated May 26, 2016, for total gross proceeds of \$95.0 Million. In connection with the Offering, the Corporation also granted the underwriters of the Offering the Over-Allotment Option, which option was exercised in full on June 21, 2016.

Prior to the closing of the Offering, the Common Shares and the Non-Voting Shares were consolidated on the basis of one post-Consolidation Common Share for every 250 pre-Consolidation Common Shares and one post-Consolidation Non-Voting Share for every 250 pre-Consolidation Common Shares.

Also prior to the closing of the Offering, the Funds converted the convertible debentures of IVQ Holdco held by them into 1,111,708 IVQ Holdco Shares, pursuant to the terms and conditions of the convertible debentures and the Magnetar Exchange Agreement. Concurrently with the closing of the Offering, the Funds exchanged their IVQ Holdco Shares for 11,635,104 post-Consolidation Common Shares, pursuant to the terms and conditions of the Magnetar Exchange Agreement. The Corporation has been identified as the accounting acquiree rather than the accounting acquirer, and the transaction is considered a reverse-takeover.

In connection with the closing of the Offering, the Corporation converted all outstanding post-Consolidation Non-Voting Shares held by the Corporation, on a one-for-one basis, into 1,230,639 post-Consolidation Common Shares.

Subscription Receipts Offering

On October 6, 2016, the Corporation issued 7,406,000 Subscription Receipts (at \$10.10 per Subscription Receipt), pursuant to a short form prospectus dated September 29, 2016, for total gross proceeds of \$74.8 Million. This includes

the Subscription Receipts issued, pursuant to the exercise in full of the over-allotment option granted to the underwriters of the offering of the Subscription Receipts.

The Corporation used the proceeds from the issuance of the Subscription Receipts to finance a portion of acquisitions of interests in seven seniors housing and care properties and investments in five mezzanine loans. Upon the closing of the acquisition of these properties on November 1, 2016, and the satisfaction of certain other requirements, each Subscription Receipt was exchanged for one Common Share.

2022 Convertible Debentures

On December 16, 2016, the Corporation completed an offering of the 2022 Convertible Debentures, which were initially due January 31, 2022. The 2022 Convertible Debentures were offered, pursuant to a short-form prospectus dated December 9, 2016, for total gross proceeds of \$45.0 Million. Proceeds from the 2022 Convertible Debentures were used to finance the acquisition of the MCA Portfolio. On December 10, 2021, the Corporation announced an amendment (“Amendment”) and partial redemption of \$20.0 Million 2022 Convertible Debentures. The terms of the Amendment included changing the interest rate to 7.00% effective January 31, 2022, decreasing the conversion price to \$5.00, and extending the maturity date of the 2022 Convertible Debentures to January 31, 2025.

Preferred Equity Private Placement

On December 22, 2017, the Corporation entered into the Subscription Agreements with certain funds managed by the Funds Manager in respect of the issuance of Preferred Shares, to be funded in multiple tranches. The first tranche was funded on December 22, 2017, and involved the issuance of 2,802,009 Series 1 Preferred Shares for aggregate gross proceeds of \$26.5 Million. The Subscription Agreements were amended, pursuant to the Waiver and Amendments to increase the number of Preferred Shares to be issued under the second tranche and to add the third tranche. The second tranche closed on February 9, 2018, and involved the issuance of 3,172,086 Series 2 Preferred Shares for aggregate gross proceeds of approximately \$30 Million. The third tranche closed on March 29, 2018, and involved the issuance of 1,586,042 Series 3 Preferred Shares for aggregate gross proceeds of approximately \$15 Million. In June 2019, the Corporation entered into subscription agreements with certain funds managed by the Funds Manager in respect of the issuance of Series 4 Preferred Shares. The transaction closed on August 27, 2019, and involved the issuance of 1,538,461 Series 4 Preferred Shares for aggregate gross proceeds of approximately \$15 Million.

In connection with the private placement, the Corporation and certain Funds entered into the Registration Rights Agreement, pursuant to which the Corporation granted the Funds certain customary demand and “piggy-back” registration rights in respect of the Funds’ Common Shares, including any Common Shares acquired by the Funds upon a conversion of their Preferred Shares.

Copies of the Subscription Agreements, Waiver and Amendments, and the Registration Rights Agreement are available on SEDAR at www.sedar.com.

Name Change and Rebranding

On January 3, 2018, the Corporation completed its name change from Mainstreet Health Investments Inc. to Invesque Inc. The name change was approved at a special meeting of Shareholders of the Corporation on the same date by special resolution. Following the approval by the Shareholders, a Notice of Alteration was filed, and the Corporation received a Certificate of Change of Name effecting the change. Effective at the opening of trading on February 13, 2018, the Common Shares and 2022 Convertible Debentures commenced trading on the TSX under the new ticker symbol “IVQ.U.”

2023 Convertible Debentures

On August 24, 2018, the Corporation completed an offering of the 2023 Convertible Debentures, which are due September 30, 2023. The 2023 Convertible Debentures were offered, pursuant to the Corporation’s base shelf prospectus dated March 3, 2017. On May 23, 2023, the Corporation announced an amendment (“Amendment”) to the 2023 Convertible Debentures. The terms of the Amendment included changing the interest rate to 8.75% effective September 30, 2023, decreasing the conversion price to \$2.75, extending the maturity date of the 2023 Convertible Debentures to September 30, 2026 and partial redemption of \$22.0 Million 2023 Convertible Debentures. On

September 26, 2023, the Corporation announced an additional amendment (“Additional Amendment”) to the 2023 Convertible Debentures. The terms of the Additional Amendment included changing the date of the redemption to October 5, 2023, reducing the amount of the partial redemption to \$4.8 Million, and decreasing the conversion price to \$1.10. The Additional Amendment also included a covenant that the Corporation shall not make any cash repayment or redemption of principal on the 2022 Convertible Debentures unless, prior to or contemporaneously with, such cash repayment or redemption, it redeems or repays for cash an equal principal amount of the 2023 Convertible Debentures. The Additional Amendment also included a covenant that the Corporation shall not issue (i) a new class or series of unsecured convertible debentures unless the maturity date for such debentures is at least 18 months after September 30, 2026 or (ii) senior notes in exchange for, or to fund the cash repayment of, all or a portion of the 2022 Convertible Debentures.

Canadian Dollar Listing

Effective September 20, 2019, the Corporation introduced a Canadian dollar listing of its Common Shares on the TSX under the symbol “IVQ”. The Common Shares continue to trade in U.S. dollars under the existing symbol “IVQ.U”. The Common Shares traded under the symbol “IVQ” have the same CUSIP number as the Common Shares trading under the ticker symbol “IVQ.U”. The Corporation’s dividends, when declared, continue to be paid to Shareholders in U.S. dollars for both the IVQ.U and IVQ listings.

Normal Course Issuer Bids

Effective December 22, 2021, the Company instituted a normal course issuer bid for a portion of its common shares (“Shares”) and a portion of the 2023 Convertible Debentures as appropriate opportunities arise from time to time. Invesque’s normal course issuer bids (collectively, the “NCIB”) was made in accordance with the requirements of the Toronto Stock Exchange. Pursuant to the notices, Invesque was authorized to acquire up to a maximum of 2,811,814 of its Shares, or approximately 5% of Invesque’s 56,236,292 outstanding Shares as of December 15, 2021, and up to a maximum of \$5,000,000 aggregate principal amount of Debentures, or approximately 10% of the public float of \$50,000,000 aggregate principal amount of Debentures outstanding as of December 15, 2021, in each case for cancellation over a twelve-month period. The number of Shares permitted for purchase pursuant to the NCIB was subject to a current daily maximum of 6,584 Shares (which was equal to 25% of 26,337 Shares, being the average daily trading volume during the six months ended November 30, 2021), and the aggregate principal amount of Debentures permitted for purchase pursuant to the NCIB was subject to a current daily maximum of \$7,858 aggregate principal amount of Debentures (which was equal to 25% of \$31,433 aggregate principal amount of Debentures, being the average daily trading volume during the six months ended November 30, 2021), in each case subject to Invesque’s ability to make one block purchase of the Shares or 2023 Convertible Debentures, as applicable, per calendar week that exceeds such limits. During the initial twelve-month period, the Corporation purchased 581,700 Shares, and 1,657,000 Convertible Debentures pursuant to the NCIB.

Effective December 20, 2022, the Company renewed the NCIB. Pursuant to the notices filed with the TSX, Invesque was authorized to acquire up to a maximum of 2,806,947 of its Shares, or approximately 5% of Invesque’s 56,138,948 outstanding Shares as of December 9, 2022, and up to a maximum of \$4,867,200 aggregate principal amount of Debentures, or approximately 10% of the public float of \$48,672,000 aggregate principal amount of Debentures outstanding as of December 9, 2022, in each case for cancellation over a twelve-month period. The number of Shares that could be purchased pursuant to the NCIB was subject to a current daily maximum of 3,944 Shares (which was equal to 25% of 15,779 Shares, being the average daily trading volume during the six months ended November 30, 2022), and the aggregate principal amount of Debentures that could be purchased pursuant to the NCIB was subject to a current daily maximum of \$8,187 aggregate principal amount of Debentures (which was equal to 25% of \$32,750 aggregate principal amount of Debentures, being the average daily trading volume during the six months ended November 30, 2022), in each case subject to Invesque’s ability to make one block purchase of the Shares or 2023 Convertible Debentures, as applicable, per calendar week that exceeds such limits. On September 5, 2023, the NCIB was amended to reduce the maximum price payable for Shares and Debentures. Additionally, on October 30, 2023, Invesque amended the NCIB to further reduce the maximum price payable for Shares and Debentures. The NCIB plan expired on or about December 21, 2023. During the second twelve-month period of the NCIB, the Corporation purchased 100,000 Shares, and 200,000 Convertible Debentures pursuant to the NCIB.

Acquisition & Disposition Activity

A summary of the Company's acquisition and disposition activity in 2023 is summarized below. See "REAL ESTATE PORTFOLIO" for a description of each of the Company's properties.

Sale of MetroWest Medical Center

On April 7, 2023, the Company sold a medical office building in Orlando, Florida for \$6.4 Million.

Acquisition of Carrollton, Texas Community

On April 10, 2023, the Company acquired a 34-unit memory care community in Carrollton, Texas. Prior to acquiring the real estate, the Company had obtained a first mortgage on the community through a HUD Note Sale Auction on December 5, 2022.

Sale of Symphony Skilled Nursing Portfolio

On June 1, 2023, the Company sold seven skilled nursing facilities in Illinois for \$101.3 million.

On July 1, 2023, the Company sold a skilled nursing facility in Illinois for \$19.7 million.

Opening of Terra Bluffs

On October 27, 2023, the Company obtained final licensure approval for operations to begin at a newly constructed seniors housing community in Parker, Colorado. The day-to-day operations are managed by Health Dimensions Group, and the property is owned via a joint venture between the Company and Health Dimensions Group.

Sale of Four Seniors Housing Assets in the Southeast

On November 1, 2023, the Company sold four communities in Georgia (2) and South Carolina (2) for \$25.1 Million.

DESCRIPTION OF THE BUSINESS

Overview

The Corporation is a North American health care real estate company with a portfolio of high-quality health care properties and medical office buildings located in the United States and Canada and operated by best-in-class health care operators and managers primarily under long-term leases, operating/management agreements, and joint ventures. In the case of Commonwealth Senior Living, the Corporation owns the operating and management company through an indirect subsidiary of the Corporation. The Corporation partners with industry leaders to invest across the health care spectrum. The Corporation currently invests in and owns, indirectly through its holding subsidiaries, a portfolio of seniors housing and care properties located in the states of Arkansas, Colorado, Illinois, Indiana, Louisiana, Maryland, Missouri, New Jersey, New York, Pennsylvania, Virginia, South Carolina, Texas, Tennessee, and Virginia. In certain cases, the Corporation owns a majority interest or a minority interest in the related operations of these facilities through operating/management arrangements and/or joint venture agreements. The Corporation's medical office portfolio includes properties in New York. The Corporation is also a 50% partner in a JV that owns four seniors housing and care properties located in Ontario, Canada, and the related operations thereto.

The Corporation owns the land and buildings and leases them to operators either on a long-term, triple-net lease basis, has an interest in both the property and operations in joint ventures and similar arrangements with the operating partner at the facility, or wholly owns and operates the property. Under a triple-net lease structure, the tenant operators assume the operational risks and expenses associated with operating a seniors housing and care facility on the leased premises. The tenant operators provide and manage the service offerings available at the facilities, deliver all care services and maintain the buildings. The Corporation's medical office portfolio consists of owned properties managed on a day-to-

day basis by a third-party property manager. The tenant leases consist mostly of net leases with some modified gross and gross leases.

Management believes that certain characteristics of the North American seniors housing and care industry, including favorable demographic trends, increasing demand with a stagnant supply of new facilities, and the shift from high-cost hospitals for post-acute care to lower-cost settings such as SNFs, provide for a unique investment opportunity. The increased demand for health care facilities further enforces the growing demand for health care spending in medical office buildings as well. Management also believes that, as a result of the high quality of the Corporation's properties, multiple ownership structures, and its relationships with reputable operators and industry participants, the Corporation is well-positioned to succeed in the industry by capitalizing on these market opportunities.

The Corporation's goals are to increase Shareholder value while expanding its high-quality portfolio of seniors housing and care properties over time through organic growth and strategic and accretive acquisitions.

The Corporation's Management is an experienced team of real estate professionals with diverse backgrounds in the acquisition, management, divestiture, development, and financing of income-producing health care real estate. The Management team has significant development experience that provides the Corporation with the ability to undertake property expansion and redevelopment opportunities where appropriate.

Growth Strategies

The Corporation has adopted the following business objectives and strategies to achieve future growth in its AFFO per Common Share:

Organic Growth

Management believes there are opportunities to increase the value of the Corporation's portfolio through a number of internal growth initiatives designed to enhance the Corporation's cash flow produced by its properties. Some of the Corporation's leases with its tenant operators located in the United States are structured as triple-net leases, which include annual rent escalators that range between 1.0% to 4.0% and are sometimes tied to the growth in the U.S. CPI. Each lease also contains capital expenditure requirements and indemnity provisions on the part of the tenant, as well as provisions regarding the tenant's responsibility for payment of insurance, taxes, utilities, and structural and non-structural capital expenditures. As a result of this lease structure, the Corporation expects to enjoy predictable annual increases in rental revenue and stable income margins. Management also believes the portfolio of operators provides a primary stream of investment opportunities in development, value add and acquisition prospects. Management believes there are unique opportunities within the wholly-owned operating assets and joint ventures in its portfolio, to grow organically through the Corporation's participation in the operations.

Strategic and Accretive Acquisitions

Subject to the ability to access appropriately priced capital, the Corporation will leverage its deep network of industry relationships to source and identify acquisitions of health care real estate properties across the United States that meet the Corporation's acquisition criteria. The Corporation's acquisition criteria is focused on the age and quality of the property, the strength and experience of the tenant operator, the type of care and services offered, market demographics, lease terms, security and stability of cash flows as well as potential for increasing value through more efficient management of the acquisition property by expansion and repositioning. Further, the Corporation intends to build meaningful strategic relationships with its operator partners to grow its presence outside of its current geographic footprint. The Corporation will also look to continue to enhance its portfolio through expansion projects at existing projects where there is built up and unmet demand in the market.

Competitive Conditions

Management believes that the Corporation benefits from a number of favorable industry dynamics and trends. Seniors housing and care enjoys generally stable, predictable revenues and has historically been largely insulated from economic cycles as a result of a number of factors, including (a) the demand for seniors housing being need driven rather than discretionary, (b) occupancies remaining consistent over time in both the United States and Canada, and (c) facilities receiving revenue through government funding. Additionally, regulatory requirements in many jurisdictions often make it difficult to acquire or develop new seniors housing and care properties. There are

also many operational barriers to entry as a high degree of experience is required to own and operate seniors housing and care facilities, particularly as the acuity level of care delivered increases, and the capital requirements in connection with the acquisition or development of a facility can be sizeable. The seniors housing and care industry in the United States is also very fragmented, with many facilities owned by local or regional groups. Similarly, in Canada, seniors housing and care accommodation has historically been characterized by many small operators who provide residences in fragmented geographic areas. Throughout the COVID-19 pandemic, seniors housing and skilled nursing operators and managers have experienced broad-based occupancy declines and as a result, we expect competition for residents and patients to continue and potentially increase further in 2023 and beyond as operators attempt to fill unoccupied units. It is possible that our operators and managers could encounter increased competition in the future that could limit their ability to attract residents and patients as a result of COVID-19 or for other reasons. As a result of these competitive conditions, we cannot be certain that the operators of all of our facilities will be able to achieve and maintain occupancy and revenue levels that they have in the past or previously projected as future results.

Employees

As of December 31, 2023, the Corporation had 18 employees (excluding the employees of the Corporation's subsidiary, Commonwealth Senior Living), which perform certain accounting, finance, portfolio and asset management, legal and other supporting functions. In addition, as of December 31, 2023, the Corporation's subsidiary, Commonwealth Senior Living, had 2,213 employees (1,534 full time employees, 427 part-time employees and 258 PRN employees), which support the operations of the various Commonwealth communities.

Foreign Operations

Certain of the Corporation's properties are located in the United States. See "REAL ESTATE PORTFOLIO" for further detail.

Characteristics of North American Seniors Housing and Care Industry

Spectrum of Care

Seniors housing and care properties in North America provide the full spectrum of care ranging from low to high acuity, as explained below. Low-acuity care facilities consist of independent living and assisted living communities. High-acuity care facilities consist of skilled nursing facilities and long-term care facilities. The level of state/provincial and federal regulatory oversight and control varies among the different seniors housing and care facility types, including the nature of health care services provided, the acuity setting, and whether the food, housing and care provided is paid for by the resident or through a government program. The term "seniors" generally refers to the category of people who are 65 years of age and older.

- **Independent Living (IL) Communities:** IL communities are the least medically-intensive type of seniors housing and care properties. Unlike AL communities and SNFs/LTCs, IL communities generally do not commonly offer nursing, rehabilitative care or therapy services and typically do not provide assistance with daily living activities. Rather, IL communities are designed as a seniors housing and care option for those who are able to perform their own basic activities of daily living and need little or no medical assistance. IL communities come in many forms ranging from age-restricted apartment communities to villa homes which are on a retirement village campus or part of a continuing care retirement community. IL communities in North America are generally unregulated and unlicensed, with some exceptions for IL communities providing more extensive care services. Most IL communities receive revenue through private pay sources, such as residents paying directly out of pocket and private insurance, rather than government sources.
- **Assisted Living (AL) and Memory Care (MC) Communities:** AL and MC communities play a key role in the continuum of seniors housing and care, as they bridge the gap between IL communities and SNFs/LTCs. AL communities provide relatively independent elderly persons with typical amenities associated with less medically-intensive seniors housing and care as well as assistance with activities of daily living and some health care services. Services provided at AL communities typically include 24-hour care for resident protection, an emergency response system, supervision for persons with disabilities, housekeeping, maintenance and transportation. MC communities are substantially similar to AL communities because they also focus on elderly persons who need assistance with activities of daily living and health care services but

differ from AL communities because MC residents need to be cared for in a secured environment to prevent seniors from leaving the community in a confused state. AL and MC communities in the United States are typically licensed and regulated by state and local governments rather than the federal government. In Canada, AL communities are licensed or certified and regulated in most jurisdictions but are typically less regulated than LTCs. Licensure for MC communities is generally identical to AL licensure except for specific building requirements including locked exterior doors secured by keys or an access code. AL communities receive most of their revenues through private pay sources and may also receive revenue from third-party pay sources, including federal, state and provincial governments.

- **Skilled Nursing Facilities (SNFs) and Long-Term Care Facilities (LTCs):** SNFs, as referred to in the United States, and LTCs, as referred to in Canada, are senior care facilities that provide a room, meals, assistance with daily life activities, and have licensed nursing staff on duty 24 hours per day. These facilities provide the most intensive level of medical and in a residential setting for seniors, typically treating residents with physical or mental impairments that prevent them from living in IL or AL communities. In many cases, these facilities supplement hospital care by providing care to patients who require medical and therapeutic services but are stable enough to have these services provided in a facility that is less expensive than a hospital or other post-acute care setting. The SNF and LTC segment includes services to patients requiring medical and/or nursing care and rehabilitation services for post-operative procedures including hip or knee replacements and cardiac surgeries, among others. SNFs and LTCs also provide transitional care services, and facilities that specialize in this type of care are often referred to as Transitional Care Centers (TCCs). TCCs are designed for patients transitioning from the hospital to their home after a surgery or an acute health episode. TCCs, a sub-segment of SNFs and LTCs, are the most common destination for post-acute care patients requiring short-term, physician-ordered intense rehabilitation for post-operative procedures. They are staffed by registered nurses, therapists, pharmacists, and social workers. SNFs and LTCs in North America are subject to extensive federal, state and provincial regulation, including licensing requirements and regulations relating to government funding. SNFs and LTCs receive revenue from private pay sources and third-party pay sources, including federal, state and provincial governments and insurance companies.
- **Continuing Care Retirement Community (CCRCs):** Often IL and AL communities and SNFs/LTCs are combined into a single campus care environment, establishing a continuum of care for residents designed to meet their housing and care needs as they grow older. Many CCRCs have contractual commitments for suite rentals with additional assistance and nursing care available, as necessary, allowing the resident to age in place without having to move or change suites.

Industry Dynamics

Management of the Corporation believes that the Corporation will benefit from a number of favorable industry dynamics and trends, including:

- **Revenue Stability:** The seniors housing and care industry enjoys stable, predictable revenues and has historically been largely insulated from economic cycles as a result of a number of factors:
 - **Need-Driven Services:** Demand for seniors housing and care, in both low and high-acuity care settings, is driven by housing and care requirements. These requirements are not typically discretionary, and, as a result, demand is generally not correlated to macroeconomic trends and cycles. For instance, according to the National Clearinghouse for Long Term Care Information, about 70% of people over age 65 in the United States will require some type of senior care services during their lifetime, and more than 40% will need care in a high-acuity facility (such as a SNF).
 - **Stable Occupancy:** Prior to the COVID-19 pandemic in 2020, historical occupancies of seniors housing and care properties had remained consistently strong. According to the National Investment Center for Seniors Housing and Care, from 2012 to 2019, average occupancy rates for majority IL and AL communities ranged from 87% to 91% (with an average of 89%), and average occupancy rates for majority SNF communities ranged from 86% to 88% (with an average of 87%). As of October 2022, SNF average occupancy was 79.4%, up from the low in January 2021 of 73.4%. According to the Canadian Mortgage and Housing Corporation, occupancy for seniors housing in Canada had an average

occupancy of 90.7% through 2010 and 2020, and 84.5% for 2021. The average occupancy rates in seniors housing in the United States was 83.9% in 2020 and 80.2% in 2021. Many owners and operators of seniors housing and care assets believe that occupancy will rebound, but it will likely take at least a couple of years to get back to historical norms.

- **Favorable Funding Sources:** Seniors housing and care properties generate their revenues from government funding, insurance companies and private/individual income.
- **Barriers to Entry:** Regulatory requirements in many jurisdictions often make it challenging to develop new seniors housing and care properties, which has led to an increased imbalance between supply and demand. Furthermore, the equity capital required to fund expenses in connection with a proposed development is sizeable, often requiring numerous investors and partners. There are also many operational barriers to entry, as a high degree of experience and operating expertise is required, particularly as the acuity level increases.
 - In the United States, many states directly regulate the development and construction of seniors housing and care properties and impose various licensing requirements, including Certificate of Need (CON) licenses and laws. Such certifications and licenses, if required, can be difficult to obtain. Furthermore, federal and state regulatory operating licenses are required in order for a property to be eligible for Medicaid and Medicare reimbursement by federal and state authorities.
 - In Canada, seniors housing and care is licensed or approved at the provincial or regional level. Most provinces or regions have general restrictions on the issuance of new licenses or approvals due to funding implications. The number of licenses available is generally determined based on public interest, licensed bed capacity in the area, other health facilities in the area providing nursing care, the number of applicants for nursing care and available funds. Thus, the construction of additional seniors housing and care facilities is subject to certain restrictions on supply, including government legislated moratoriums on new capacity and a competitive proposal process to secure certificates for development. Across the provinces, there are also restrictions on the transfer or re-issuance of existing licenses or approvals.
- **Cost-Effective Care Alternative:** In the face of rising health care costs, SNFs and LTCs provide one of the most cost-effective alternatives for third-party payor sources, including government and private insurance as well as private-pay residents. SNFs and LTCs provide many of the same services as hospitals but at significantly lower costs. For instance, in the United States, certain post-acute care services provided by SNFs are estimated to be provided at one-third of the cost of the next cheapest alternative, long-term acute care hospitals.
- **Ownership Fragmentation:** The seniors housing and care industry in the United States is highly fragmented and the properties are predominantly owned by local and regional corporations. According to the National Investment Center for Seniors Housing and Care, there were approximately 545,104 IL units and 517,816 AL units, making over 1.0 Million total units in the United States in 2022. The number of skilled nursing facilities in the United States has decreased slightly over the last five years, but there are still over 15,000 SNFs. In the United States, the top ten AL and IL community owners represent approximately one quarter of the total units owned, and the top ten SNF owners represent less than 20% of the total beds owned.

In Canada seniors housing and care accommodation has historically been characterized by a large number of small operators who provide residences in fragmented geographic areas. Over the past several years, there has been increasing consolidation, especially in the LTC sector. However, the Canadian market remains highly fragmented.

- **Supply and Demand Imbalance:** A current imbalance exists in the United States between industry supply and demand in the aggregate. Although the number of seniors has grown and is anticipated to continue to grow dramatically, the number of SNFs has declined. In 2005, there were over 16,000 certified SNFs in the United States, totaling approximately 1.68 Million certified beds. By 2020, that number had declined to approximately 15,000 certified SNFs, totaling approximately 1.64 Million beds. As a result of the declining number of facilities and a U.S. senior population that is expected to grow by approximately 80% by 2030.

Similar imbalances exist with respect to IL and AL facilities. While some markets have seen multiple IL and AL communities under construction, other markets have experienced zero additional construction with little or no existing supply. Significant amounts of new construction of IL and AL communities will be needed in underserved markets in order to meet existing demand along with additional demand due to increases in the senior population. According to the National Investment Center for the Senior Housing and Care Industry, more than \$400 billion in new construction, over and above existing supply, will be needed to meet future demand for seniors housing and care properties over the next 35 years.

A similar supply and demand imbalance exist in Canada, albeit for different reasons. Like the United States, the number of seniors is increasing, and the number of facilities has not kept pace. This is in large part due to provincial and regional licensing and reimbursement, which has resulted in limited numbers of new facilities. According to Care Planning Partners Inc., the number of LTCs and AL facilities is expected to grow dramatically based on the expected needs of the growing senior population. Over the next 20 years, it is estimated by Care Planning Partners Inc. that approximately 195,000 new LTC beds and approximately 120,000 new AL facility suites will be needed to satisfy future demand in Canada. This means the number of units in both categories would need to nearly double over the next 20 years to meet projected demand.

Demand Drivers

As described above in “Characteristics of North American Seniors Housing and Care – Industry Dynamics,” there are many characteristics of the seniors housing and care industry that have led to significant demand. Management of the Corporation believes the following are some of the more significant factors contributing to this demand.

- **Aging Population:** The number of seniors, both as an absolute total and as a percentage of the total population, is increasing dramatically, which is expected to substantially increase demand for seniors housing and care properties in the medium to long-term.
 - According to the United States Census Bureau, the United States senior population is expected to grow from 40.2 Million to 54.8 Million representing a CAGR of 3.1% between 2010 and 2020 and is expected to reach 72.1 Million by 2030. Although the United States population is expected to grow at a CAGR of approximately 1.0% between 2010 and 2050, the United States senior population is expected to grow at a CAGR of 2.0% over the same period. Further, the United States senior population that is 85 years and older is expected to grow from 5.8 Million in 2010 to 19 Million by 2050. Additionally, substantial growth in the senior population is expected to result in seniors representing a larger proportion of the total United States population. In 2010, seniors represented 13% of the total population, and by 2050, that figure is expected to exceed 20%.
 - In Canada, the primary demographic group living in seniors housing and care communities is older than 85 years of age. According to Statistics Canada, the 75-plus and 85-plus age populations in Canada are anticipated to be among the fastest growing population groups. Canada’s 85-plus age population is projected to grow over 191% between 2015 and 2040.
- **Increasing Life Expectancy:** Life expectancy in the United States and Canada has increased over the past 50 years as a result of improved standards of living, changes in lifestyle, and awareness and advancements in medicine and technology. This increased life expectancy should increase demand for seniors housing and care properties as the length of time seniors stay in such facilities also increases.
- **Changing Family Dynamics:** As a result of changing family dynamics, seniors housing and care properties have become more important as adult children are less willing or able to care for their aging parents. These dynamics include an increasing number of dual-income families, increased life expectancy, the increasing number of single-parent households, and the further geographic dispersion of families. All of these factors have contributed to increased demand.
- **Rising Health Care Costs and Desire for Alternatives:** Rising health care costs and government budgetary constraints have forced government and private payors to seek cost-effective health care alternatives. SNFs

and LTCs provide lower cost post-acute care alternatives as compared to home or hospital care. Based on current estimates, certain post-acute care services provided by SNFs and LTCs can be provided at one-third of the cost of the next best alternative.

- **Changes in Consumer Preferences:** The majority of the existing seniors housing and care properties in the United States and Canada are antiquated and insufficient to meet the preferences of today's seniors. These properties have an institutional feel and suffer from significant drawbacks, including shared rooms, central or shared bathing, cafeteria-style dining settings and insufficient common areas and amenities. In contrast, seniors now desire newer properties that have a more upscale and residential feel. In particular, seniors now demand larger private rooms, private in-room bathing, and restaurant-style dining. Furthermore, residents often choose properties with improved amenities such as cafes, theatres, chapels, fitness centers, community rooms, wellness centers, spas, in-room kitchens and laundry facilities, and beauty/barber shops.

Regulation and Funding

United States

Seniors housing and care in the United States is subject to varying degrees of regulation and licensing by federal and state health agencies and other regulatory authorities, depending principally on the level of care and types of services offered. Although requirements vary from state to state, these requirements generally address operational and safety matters. In some states, properties also require a CON from the applicable state government body before the facility can be developed and operated. Specific regulations within each state vary significantly. In most states, seniors housing and care properties are subject to state or local zoning requirements, building codes, fire codes and food service licensing or certification requirements. Seniors housing and care properties are also subject to periodic surveys or inspections by governmental authorities to assess and ensure compliance with regulatory requirements.

Funding for seniors housing and care properties in the United States generally comes from the below sources:

- **Medicare:** Medicare is the social insurance program administered by the United States federal government to provide health insurance coverage to residents who have paid into the United States social security system for at least 10 years and who are over the age of 65 or disabled. Medicare benefits are divided into several parts including: Part A (Hospital/Nursing Home Services) and Part B (Professional and Non-Institutional Services). Part A covers room and board for inpatient hospital, SNF and other facility-based care, along with costs of medication, supplies, equipment and nursing and rehabilitation therapy services incurred during an inpatient stay. Part A coverage is limited to higher-acuity care for a limited length of stay; however, a patient may continue to be covered under Part B for physical, occupational and speech therapy while in a nursing home, even if Part A coverage has expired.

Medicare per diem reimbursement rates are determined based on the patient's acuity level and other factors, such as assistance with daily living needs. It is not a cost-reimbursement system tied to the costs incurred or fees charged by a particular facility or within a specific state. Medicare generally only covers short-term rehabilitation and therapy rather than long-term stays in a facility. Thus, Medicare rates tend to be higher on average than other forms of government reimbursement. However, as a government program, the reimbursement rates paid for Medicare services, or the services covered by the program, are subject to change from time to time.

- **Medicaid:** Medicaid is a social insurance program that is administered by state governments but is also significantly funded by the federal government. There are some program variations from state to state in terms of reimbursement rate methodologies and service coverage. However, in all states, qualifications are determined according to an individual's income and assets. Generally, to qualify for Medicaid coverage, an individual will have exhausted most of their assets, and any limited income beyond a nominal amount is paid to the nursing facility. Medicaid then pays the differential between a calculated reimbursement rate for the facility and the limited contribution from the individual. The Medicaid reimbursement rate is intended to cover the costs of room, board, nursing, medication and therapy services, but some medications, supplies, equipment and services are not fully covered by Medicaid. Medicaid reimbursement rates tend to be lower than most other forms of payment. Medicaid reimbursement rates are also subject to change from time to time due to state and federal government budgetary considerations.

- **Private Insurance:** Private insurance is a broad category encompassing any insurance-funded payor source outside of the Medicare and Medicaid programs. Private insurance may include long-term care insurance, Medicare co-insurance or traditional medical insurance. Some residents carry long-term care insurance policies that cover all or a portion of a facility's daily rate or additional services. Long-term care policies vary as to the types and amounts of coverage and have been increasing in prevalence over the last few years. This is in part due to tax incentives encouraging people to purchase coverage in order to decrease the demands upon the Medicare and Medicaid programs. Private insurance reimbursement rates tend to be stable, without significant changes from year to year. Private per diem reimbursement rates are generally lower than Medicare reimbursement rates and higher than Medicaid reimbursement rates, although they may be a fixed dollar amount unrelated to other rates. Private insurance rates also may be determined by negotiated agreements between operators and insurance carriers.
- **Private Funds:** The remaining source of payment is private funds. Residents pay the full rate (for a facility's per diem charges along with any ancillary service charges) as determined by the facility according to the level of care required for the patient, the ancillary services required, and market demand.

Canada

LTCs

The long-term care sector is regulated by the government in all provinces of Canada. To be a LTC and to receive government funding when such funding is provided, a residence must be licensed or approved by the applicable governing bodies. LTCs must generally be built to specified design criteria and funding is generally tied to the level of delivery of mandated care services. Licenses for LTCs are controlled based on government-perceived local demand and budget constraints, among other criteria.

The effect of government licensing has resulted in more standardized facility design and program options in LTCs. While licensing is not accompanied by government funding in some provinces, regulation has nonetheless served to control growth in supply. Thus, in most markets, LTCs enjoy stable high occupancy rates and do not typically need to compete for residents.

IL and AL Communities

In recent years, increasing degrees of regulation have been introduced into the IL and AL sectors, particularly as greater focus is placed on local or regional regulators to survey the sectors, provide and monitor capital and operational funding and establish and ensure compliance with standards. IL and AL communities across Canada are also typically subject to applicable tenant protection regulations on the accommodation portion of their monthly fees, health care regulation in relation to the care provided and public health and safety regulations with the retirement communities being subject to various provincial building codes and fire safety provisions. Additionally, various municipalities also impose licensing requirements, pursuant to local by-laws and require inspection by local public health and fire safety authorities. The principal requirement of such licensing by-laws is generally the payment of nominal licensing fees and the undertaking of various inspections.

Triple-Net Lease Structure

The Corporation owns properties and leases certain of them to operators on a long-term, triple-net lease basis. A triple-net lease is a lease under which the tenant pays a stated rent, typically on a monthly basis, and also pays all taxes (property and personal property), insurance, utilities and maintenance (including capital expenditures) that arise during the lease term. Essentially, under a triple-net lease, the tenant operator assumes all operational risks and responsibilities and all operating expenses associated with the property. In addition to being triple-net leases, the leases also generally include fixed rent escalators, corporate and/or personal guarantees and/or cash escrows in support of the tenant operators' obligations under the leases. The Corporation believes this triple-net structure provides a significant advantage because the Corporation's revenues from triple-net leases are not directly affected by changes in government or third-party payor reimbursement structures, changes in occupancy or other operational events.

In the event that an operator defaults under a lease, the leases provide numerous rights and remedies to the Corporation. First, the leases contain standard default remedies such as rent acceleration (subject to applicable laws), the ability to

remove the tenant operator from the property (subject to existing arrangements with the health authorities, if any) and the right to collect from the guarantor or indemnitor, if any. Certain leases also require tenants to provide a security deposit and/or deposit certain amounts to be held in escrow, allowing the Corporation to claim against such security deposit or escrowed amounts in the event of default under the applicable lease. Additionally, the Corporation has access to further remedies to ensure that the operations of the property will continue seamlessly after the tenant is removed from the operations (subject to existing arrangements with the health authorities, if any). The typical lease states that the personal property necessary for the operations of the property becomes the property of the landlord at the end of the lease term or upon the earlier termination of the lease or, alternatively, provides the landlord with a security interest in such personal property. In the United States, any licenses and certifications necessary for operation and third-party payor reimbursement remain with the property and the tenant is required to cooperate in transferring such licenses to the landlord or a new tenant. In Canada, there are established procedures employed by the relevant regulators, which are designed to ensure smooth transitions between operators in the event of default. In the event the Corporation finds it necessary to remove a tenant operator from a property, the Corporation will be able to, in the United States, either designate a new tenant operator or designate an interim tenant operator to operate the property until a more permanent tenant operator is identified. In Canada, the Corporation's current intention is to, as needed, identify appropriate replacement tenant operators through its arrangements and relationships with the health authorities and/or through the Corporation's relationships in the Canadian seniors housing and care industry.

Joint Venture Structure

The Corporation has entered joint venture arrangements in respect of certain of its seniors housing operations and properties. These joint venture arrangements with respect to the operations have the benefit of sharing the risks associated with the ownership and management of such seniors housing residences, including those risks described below under "Risk Factors", and provide the Corporation with access to properties and development sites it would otherwise not have.

Wholly-Owned Structure

The Corporation acquired the real estate and operations of 20 communities from Commonwealth Senior Living in 2019. Simultaneous with the acquisition of the first 17 communities, the Corporation also acquired the management company that directs the day-to-day operations of the communities. The Commonwealth management company is now a majority-owned indirect subsidiary of the Corporation. The Corporation retained the management company's management team to continue to direct the operations of the acquired communities. Subsequent to closing, Invesque transitioned the management of ten communities owned by the Corporation to Commonwealth. Commonwealth has continued to grow its management platform and as of December 31, 2023, provides management services to 38 communities including ten which are owned by third parties.

Unlike the joint venture arrangement with an operating partner described above, where the operating partner is paid a management fee for directing the operations of the communities, in the wholly-owned structure there is no management fee payable to a third party and the management fee is instead paid intercompany between subsidiaries of the Corporation. The wholly-owned structure allows the Corporation to retain a greater portion of the profits generated at the communities, but also may expose the Corporation to additional risks. The third-party manager in the joint venture structure generally indemnifies the Corporation from any potential liabilities associated with the operations of the properties, which is a protection unavailable in the case of the wholly-owned structure.

Medical Office Buildings

A strategic decision has been made by the Corporation to exit its medical office portfolio, and the sale of the remaining two buildings is expected to be completed in the next twelve months. Accordingly, this segment has been classified as discontinued operations in the condensed consolidated interim financial statements beginning in the third quarter of 2022 and remains classified as discontinued operations at December 31, 2023.

REAL ESTATE PORTFOLIO

The following tables provide information regarding the properties owned, directly or indirectly, by the Corporation as of December 31, 2023.

SHOP/Wholly-Owned Portfolio

| Property Name | Location | Year Built ⁽¹⁾ | Type | # of Beds | Structure |
|---|---------------------|---------------------------|----------|--------------|---|
| Autumnwood Mature Lifestyles | | | | | |
| Marina Point | North Bay, ON | 2007/2022 | IL/AL | 231 | 50% / 50% JV, distributions subject to specific IRR waterfall |
| Red Oak Villa | Sudbury, ON | 2006/2023 | AL | 206 | 50% / 50% JV, distributions subject to specific IRR waterfall |
| St. Mary's Gardens | Timmins, ON | 2011/2014 | IL/AL | 153 | 50% / 50% JV, distributions subject to specific IRR waterfall |
| The Amberwood Suites | Sudbury, ON | 2013 | AL | 90 | 50% / 50% JV, distributions subject to specific IRR waterfall |
| TOTAL | | | | 680 | |
| Commonwealth Senior Living | | | | | |
| Commonwealth Senior Living at Abingdon | Abingdon, VA | 1990/2020 | AL/MC | 83 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Bel Air | Bel Air, MD | 2002/2012/2016 | AL/MC | 51 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Berryville | Berryville, VA | 1999/2008/2011 | AL/MC | 66 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Cedar Bluff | Cedar Bluff, VA | 2006/2017 | AL/MC | 69 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Charlottesville | Charlottesville, VA | 2004/2015 | IL/AL/MC | 120 | 100% IVQ Owned; management agreement in place |
| Commonwealth Memory Care at Chesapeake | Chesapeake, VA | 1986/2009/2016 | MC | 74 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Chesterfield | Richmond, VA | 1996/2018 | AL/MC | 81 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Christiansburg | Christiansburg, VA | 1998/2008 | AL/MC | 80 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Churchland House | Portsmouth, VA | 1990/2009 | AL/MC | 80 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Cockeyesville | Cockeyesville, MD | 1999/2016 | AL/MC | 32 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Farnham | Farnham, VA | 1938/2014/2017 | AL/MC | 78 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Fredericksburg | Fredericksburg, VA | 1995/2017 | AL | 37 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Front Royal | Front Royal, VA | 1996/2017 | AL/MC | 100 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Georgjan Manor | Chesapeake, VA | 1988/2008 | AL/MC | 80 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Gloucester House | Gloucester, VA | 1990/2011 | AL/MC | 80 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Hagerstown | Hagerstown, MD | 2000/2016 | MC | 56 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Hampton | Hampton, VA | 1997/2013 | AL/MC | 112 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Hillsville | Hillsville, VA | 1990/2010 | AL/MC | 78 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Kilmarnock | Kilmarnock, VA | 1995/2009 | AL/MC | 80 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Kings Grant House | Virginia Beach, VA | 1991/2014 | AL/MC | 75 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Leigh Hall | Norfolk, VA | 1984/2015 | AL/MC | 84 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Oak Ridge | Oak Ridge, TN | 1984/2013 | IL/AL | 131 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Radford | Radford, VA | 1986/2009 | IL/AL/MC | 101 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at South Boston | South Boston, VA | 1998/2020 | AL/MC | 82 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Stafford | Stafford, VA | 1998/2010/2017 | AL/MC | 62 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at The Ballentine | Norfolk, VA | 1952/2015 | AL/MC | 88 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at The West End | Richmond, VA | 2000/2016 | AL/MC | 95 | 100% IVQ Owned; management agreement in place |
| Commonwealth Senior Living at Willow Grove | Willow Grove, PA | 1989/2018/2022 | AL/MC | 116 | 100% IVQ Owned; management agreement in place |
| TOTAL | | | | 2,271 | |
| Heritage Senior Living | | | | | |
| Belle Reve Senior Living | Milford, PA | 1977/2000 | AL/MC | 86 | 80% / 20% JV; distributions subject to specific IRR waterfall |
| Cardinal Village | Sewell, NJ | 1989 | IL/AL | 217 | 80% / 20% JV; distributions subject to specific IRR waterfall |
| Heritage Hill Senior Community | Weatherly, PA | 1999 | AL/MC | 104 | 80% / 20% JV; distributions subject to specific IRR waterfall |
| The Birches at Harleysville | Harleysville, PA | 2008 | AL/MC | 85 | 90% / 10% JV; distributions subject to specific IRR waterfall |
| The Birches at Newtown | Newtown, PA | 2014 | AL/MC | 117 | 80% / 20% JV; distributions subject to specific IRR waterfall |
| Traditions of Cross Keys | Glassboro, NJ | 2000/2016 | AL/MC | 79 | 90% / 10% JV; distributions subject to specific IRR waterfall |
| Traditions of Lansdale | Lansdale, PA | 1985/2016 | AL/MC | 144 | 90% / 10% JV; distributions subject to specific IRR waterfall |
| TOTAL | | | | 832 | |
| Health Dimensions Group | | | | | |
| Terra Bluffs | Parker, CO | 2023 | AL/MC | 102 | 80% / 20% JV; distributions subject to specific IRR waterfall |
| TOTAL | | | | 102 | |
| Phoenix Senior Living | | | | | |
| The Retreat at Summerville ⁽²⁾ | Summerville, SC | 1996/2016/2018 | IL/AL/MC | 75 | 90% / 10% JV |
| TOTAL | | | | 75 | |
| TOTAL SHOP/ WHOLLY-OWNED | | | | 3,960 | |

Notes:

- (1) Date indicates year built, and, if applicable, most recent year of major renovations
- (2) The Retreat at Summerville was sold on January 31, 2024.

NNN Portfolio

| Property Name | Location | Year Built ⁽¹⁾ | Type | Total Beds | Lease Expiration ⁽²⁾ | Lease Escalator Terms |
|---|----------------|---------------------------|------|------------|---------------------------------|--|
| Cascade Capital Group | | | | | | |
| Glendale Care and Rehab Center | Glendale, WI | 1994/2015 | SN | 94 | 12/31/35 | 2.00% beginning in LY4; fixed in LY2 & LY3 |
| The Pearl at Hillside | Hillside, IL | 1996/2013 | SN | 198 | 12/31/35 | 2.00% beginning in LY4; fixed in LY2 & LY3 |
| RYZE on the Avenue | Chicago, IL | 1977/2007 | SN | 302 | 12/31/35 | 2.00% beginning in LY4; fixed in LY2 & LY3 |
| The Pearl of Evanston | Evanston, IL | 1978/2015/2017 | SN | 158 | 12/31/35 | 2.00% beginning in LY4; fixed in LY2 & LY3 |
| TOTAL | | | | 752 | | |
| Constant Care Management | | | | | | |
| Grand Brook Memory Care of Allen at Twin Creeks | Allen, TX | 2017 | MC | 32 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of Carrollton | Carrollton, TX | 2002 | MC | 43 | 3/31/38 | 2.00% |
| Grand Brook Memory Care of Fishers | Fishers, IN | 2018 | MC | 36 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of Garland | Garland, TX | 2006 | MC | 44 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of Grand Rapids | Wyoming, MI | 2020 | MC | 42 | 1/31/27 | 2.00% |
| Grand Brook Memory Care of Grapevine | Grapevine, TX | 2004 | MC | 43 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of Greenwood | Greenwood, IN | 2019 | MC | 36 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of McKinney | McKinney, TX | 2005 | MC | 43 | 1/31/37 | 2.00% |

| | | | | | | |
|--|-------------------|-----------|--------|--------------|----------|--|
| Grand Brook Memory Care of Rogers | Rogers, AR | 2017 | MC | 36 | 1/31/37 | 2.00% |
| Grand Brook Memory Care of Zionsville | Zionsville, IN | 2019 | MC | 36 | 1/31/37 | 2.00% |
| TOTAL | | | | 391 | | |
| Hearth Management | | | | | | |
| Keepsake Village at Greenpoint | Liverpool, NY | 1998 | MC | 56 | 10/31/33 | 2.50% |
| The Hearth at Greenpoint | Liverpool, NY | 1991/1994 | IL/AL | 186 | 8/31/31 | 2.50% |
| The Hearth on James | Syracuse, NY | 2000/2007 | IL/AL | 71 | 10/31/31 | 2.50% |
| TOTAL | | | | 313 | | |
| Chapters Living | | | | | | |
| Chapters Living of Little Rock | Little Rock, AR | 2015 | MC | 74 | 12/31/36 | 2.50% |
| Chapters Living of New Braunfels | New Braunfels, TX | 2016 | MC | 64 | 12/31/36 | 2.50% |
| Chapters Living of Westover Hills | San Antonio, TX | 2016 | MC | 64 | 12/31/36 | 2.50% |
| TOTAL | | | | 202 | | |
| Saber Healthcare ⁽³⁾ | | | | | | |
| Kingston Health Care Center | Kingston, PA | 1992/2013 | SNF | 65 | 6/30/24 | 2.00% |
| Mid-Valley Health Care Center | Peckville, PA | 1992/2014 | SNF | 38 | 6/30/24 | 2.00% |
| TOTAL | | | | 103 | | |
| The Providence Group ⁽³⁾ | | | | | | |
| Columbia Post Acute | Columbia, MO | 2017 | TCC | 70 | 11/1/32 | Greater of a) CPI not to exceed 4.00% and b) 2.50% |
| Houston Transitional Care | Houston, TX | 2017 | TCC | 70 | 12/31/35 | Greater of a) CPI not to exceed 4.00% and b) 2.50% |
| North Houston Transitional Care | Houston, TX | 2017 | TCC/AL | 94 | 12/31/35 | Greater of a) CPI not to exceed 4.00% and b) 2.50% |
| TOTAL | | | | 234 | | |
| Traditions Management | | | | | | |
| Oakwood Village Senior Living | Zachary, LA | 1998/2004 | AL/MC | 80 | 10/31/28 | 2.50% |
| TOTAL | | | | 80 | | |
| TOTAL NNN | | | | 2,075 | | |

Notes:

- (1) Date indicates year built, and, if applicable, most recent year of major renovations
- (2) Represents initial lease expiration date; most leases have renewal options exercisable in the tenant's sole discretion
- (3) The Saber Healthcare portfolio was sold on February 29, 2024, and The Providence Group portfolio was sold on March 5, 2024

Medical Office Portfolio ⁽¹⁾

| Property Name | Location | Year Built ⁽²⁾ | Type | Structure |
|-------------------------------|--------------|---------------------------|----------------|---|
| Camillus Medical Center West | Camillus, NY | 1956/1998 | Medical Office | 100% IVQ Owned; management agreement in place |
| East Amherst Medical Building | Buffalo, NY | 1990 | Medical Office | 100% IVQ Owned; management agreement in place |

Notes:

- (1) This segment has been classified as discontinued operations, as both assets are currently held for sale
- (2) Date indicates year built, and, if applicable, most recent year of major renovations

The following is a description of each of the properties in the Corporation's portfolio:

Autumnwood Mature Lifestyles Properties

Marina Point: 225 Oak Street West, North Bay, Ontario P1B 0A9

Marina Point is a 231-bed independent living and assisted living community. The community was built in 2007. The four-story property sits on a 7.25-acre parcel, encompasses 139,907 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL private apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, on-site recreational amenities, health care monitoring, and beauty salon services. The community underwent a significant expansion, completed in 2022, that added 110 units to the existing footprint.

Red Oak Retirement Villa: 20 Saint Anne Road, Sudbury, Ontario P3C 5N4

Red Oak Retirement Villa is an assisted living community with 206 assisted living beds. The community was converted to a retirement home in 2006 and renovated in 2010. The four-story property sits on a 2.70-acre parcel and encompasses 70,862 square feet. The community is 100% private pay and offers suites for residents who require minimal assistance with activities of daily living. Services and amenities offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, on-site recreational amenities, health care monitoring, an ensuite bathroom with tub or shower, and beauty salon services. An expansion project added 122 units to the existing footprint and was completed in 2023.

St. Mary's Gardens: 225 Fifth Avenue, Timmins, Ontario P4N 6H9

St. Mary's Gardens is a 153-bed independent living and assisted living community. The community was built in 2011 and expanded in 2014 to add 87 assisted living beds. The six-story property sits on a 1.71-acre parcel and encompasses 155,014 square feet. The community is 100% private pay and offers a complete range of seniors living options from IL to AL private apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, on-site recreational amenities, health care monitoring, and regular physician visits.

The Amberwood Suites: 1385 Regent Street, Sudbury, Ontario P3E 3Z1

Amberwood is an assisted living community with 90 assisted living beds. The community was built in 2013. The four-story property sits on a 1.45-acre parcel, encompasses 75,637 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL private apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, on-site recreational amenities, health care monitoring, and regular physician visits.

Commonwealth Senior Living Properties

Commonwealth Senior Living at Abingdon: 860 Wolf Creek Trail NW, Abingdon, Virginia, 24210

Commonwealth Senior Living at Abingdon is an assisted living and memory care community with 83 beds completed in 1990 with renovations taking place in 2014. The one-story property sits on a 3.55-acre parcel and encompasses 39,846 square feet. The renovations in 2014 included the addition of a 32-bed memory care wing, an expanded kitchen, updated public areas, and added additional parking spaces for both families and residents. Commonwealth Senior Living at Abingdon focuses on resident engagement and satisfaction by providing programs such as monthly themes throughout the community as well as a "Farm to Table" dining program to purchase food from local Virginia farmers. The Corporation completed an expansion project in 2020 that added nine additional assisted living units.

Commonwealth Senior Living at Bel Air: 1409 & 1415 Saint Francis Road, Bel Air, MD 21014

Commonwealth Senior Living at Bel-Air is a 51-bed assisted living and memory care community built in 2002 and renovated in 2012 and 2016. The one-story property sits on a 3.51-acre parcel, encompasses 28,392 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its residents, including weekly housekeeping and laundry service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Berryville: 413 McClellan Street, Berryville, VA 22611

Commonwealth Senior Living at Berryville is a 66-bed assisted living and memory care community built in 1999 with renovations made in 2011. The one-story property sits on a 2.42-acre parcel, encompasses 28,852 square feet, and offers studios. The community is 100% private pay and offers a range of services for its residents from AL to MC, including weekly housekeeping service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Cedar Bluff: 500 Clinic Road, Cedar Bluff, Virginia, 24609

Commonwealth Senior Living at Cedar Bluff is an assisted living and memory care community with 69 beds. The community was completed in 2006 and underwent significant renovations in 2017. The one-story property sits on a 5.95-acre parcel and consists of 34,819 square feet. The 2017 renovations converted a previously assisted living wing into a 16-bed memory care wing. Commonwealth Senior Living at Cedar Bluff is located adjacent to Clinch Valley Physicians Associates and within 15 miles of both Clinch Valley Medical Center and Carilion Tazewell Community Hospital. Commonwealth Senior Living at Cedar Bluff was also developed as one of the first "green" senior living communities in the country.

Commonwealth Senior Living at Charlottesville: 1550 Pantops Mountain Place, Charlottesville, Virginia, 22911

Commonwealth Senior Living at Charlottesville is an independent living, assisted living, and memory care community with 120 beds. The community was constructed in 2004 and renovated in 2015. The three-story property sits on a 3.85-acre parcel and consists of 109,955 square feet. The 100% private pay community is the training ground for Commonwealth's Center for Excellence to train all new leaders who join the company. The community is located across the street from Martha Jefferson Hospital and ten minutes from UVA Hospital.

Commonwealth Memory Care at Chesapeake: 130 Great Bridge Blvd., Chesapeake, VA 23320

Commonwealth Memory Care at Chesapeake is a 74-bed memory care community built in 1986 and renovated in 2009 and 2016. The one-story property sits on a 2.11-acre parcel, encompasses 31,207 square feet, and offers studio apartments, a portion of which are deemed semi-private occupancy and may house more than one individual. The community is 100% private pay and offers a range of services for its residents, including weekly housekeeping and laundry service, transportation services, three meals a day, beauty/salon services, and on-site recreational amenities.

Commonwealth Senior Living at Chesterfield: 4931 Ridgedale Parkway, Richmond, Virginia, 23234

Commonwealth Senior Living at Chesterfield is an assisted living and memory care community with 81 beds. The community was completed in 1996 and underwent renovations in 2018. Since its original acquisition by Commonwealth in 2014, the community has received extensive updates including the addition of 13 assisted living and 23 memory care units, new flooring and carpeting, the addition of 12 new bathrooms, and a new dining area. The one-story property sits on a 3.00-acre parcel and encompasses 33,806 square feet. The community is 100% private pay and features a lobby café and wine bar.

Commonwealth Senior Living at Christiansburg: 201 Wheatland Court, Christiansburg, VA 24073

Commonwealth Senior Living at Christiansburg is an assisted living and memory care community consisting of 80 beds. The two-story community was built in 1998 and renovated in 2008. The property sits on a 3.04-acre parcel, encompasses approximately 47,418 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community offers movie and game room areas, a library, a chapel, and a fitness center. Services offered to residents include Sweet Memories™, weekly housekeeping and laundry service, “Farm to Table” dining program, health care monitoring, transportation, and beauty salon services.

Commonwealth Senior Living at Churchland House: 4916 W Norfolk Road, Portsmouth, VA 23703

Commonwealth Senior Living at Churchland House is an assisted living and memory care community consisting of 80 beds. The community was built in 1990 and renovated in 2009. The property sits on a 2.92-acre parcel, encompasses approximately 30,804 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers a new solarium, furnished courtyard, and billiard room. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, “Today from the Bay” fresh seafood program, on-site recreational amenities, health care monitoring, and transportation.

Commonwealth Senior Living at Cockeyville: 10881 & 10883 York Road, Cockeyville, MD 21093

Commonwealth Senior Living at Cockeyville is a 32-bed assisted living and memory care community built in 1999 and renovated in 2016. The one-story property sits on a 2.39-acre parcel, encompasses 12,316 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its assisted living residents, including weekly housekeeping and laundry service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Farnham: 511 Cedar Grove Road, Farnham, Virginia, 22460

Commonwealth Senior Living at Farnham is an independent living, assisted living and memory care community with 78 beds. The community was originally built in 1938 but underwent extensive renovations in 2014 and 2017. The one-story property sits on a 14.56-acre parcel and encompasses 56,859 square feet. In 2014, 15 units of memory care were added to the original structure, and six additional memory care units were added in 2017 along with an updated common area and dining room addition. The community is 100% private pay and utilizes the independent living apartments to act as a feeder system for the assisted living units.

Commonwealth Senior Living at Fredericksburg: 1001 Northside Drive, Fredericksburg, VA 22405

Commonwealth Senior Living at Fredericksburg is a 37-bed assisted living community built in 1995 and renovated in 2017. The one-story property sits on a 4.99-acre parcel, encompasses 16,481 square feet, and offers private and semi-private studio apartments. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its assisted living residents including weekly housekeeping service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Front Royal: 600 Mount View Street, Front Royal, VA 22630

Commonwealth Senior Living at Front Royal is an assisted living and memory care community consisting of 100 beds. The community was built in 1996, renovated in 2017, and expanded in 2020. The property sits on a 2.81-acre

parcel, encompasses approximately 55,696 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, and transportation. The property is conveniently located near downtown shopping and recreation and is less than a two-mile drive from Warren Memorial Hospital.

Commonwealth Senior Living at Georgian Manor: 651 River Walk Parkway, Chesapeake, VA 23320

Commonwealth Senior Living at Georgian Manor is an 80-bed assisted living and memory care community built in 1988 and renovated in 2008. The one-story property sits on a 3.00-acre parcel, encompasses 40,401 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its assisted living residents and memory care residents, including recreational programming and a “Farm to Table” dining program.

Commonwealth Senior Living at Gloucester House: 7657 Meredith Drive, Gloucester, VA 23061

Commonwealth Senior Living at Gloucester House is an 80-bed assisted living and memory care community built in 1990 and renovated in 2011. The one-story property sits on a 3.00-acre parcel, encompasses 48,474 square feet, and offers studio apartments, a portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is located adjacent to Riverside Hospital and offers a range of services for its assisted living residents and memory care residents, including laundry service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Hagerstown: 310 Cameo Drive, Hagerstown, MD 21740

Commonwealth Senior Living at Hagerstown is a 56-bed memory care built in 2000 and renovated in 2016. The one-story property sits on a 4.06-acre parcel, encompasses 20,302 square feet, and offers studio apartments, a portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its assisted living residents, including weekly housekeeping and laundry service, three full meals a day, salon/barber services, therapy facilities, and on-site recreational amenities.

Commonwealth Senior Living at Hampton: 1030 Topping Lane, Hampton, VA 23666

Commonwealth Senior Living at Hampton is an assisted living and memory care community consisting of 112 beds. The community was built in 1997 and renovated in 2013. The property sits on a 3.26-acre parcel, encompasses approximately 50,942 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, on-site recreational amenities, health care monitoring, transportation, and a “Today from the Bay” fresh seafood program that utilizes the community’s proximity to the ocean.

Commonwealth Senior Living at Hillsville: 100 Kyle Drive, Hillsville, VA 24343

Commonwealth Senior Living at Hillsville is a 78-bed assisted living and memory care community built in 1990 and renovated in 2010. The one-story property sits on a 9.45-acre parcel, encompasses 40,358 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community offers a range of services for its assisted living residents and memory care residents, including weekly housekeeping and laundry service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Kilmarnock: 460 South Main Street, Kilmarnock, VA 22482

Commonwealth Senior Living at Kilmarnock is an assisted living and memory care community consisting of 80 beds. The community was built in 1995 and renovated in 2009. The property sits on a 3.54-acre parcel and encompasses approximately 30,954 square feet. The property is located on an active main street near local shops, banks, and doctors. Commonwealth Senior Living at Kilmarnock is the only non-CCRC offering within a fifteen-mile radius and is located within two miles of a hospital. Services offered to residents include monthly themed activities, weekly housekeeping and laundry service, three full meals a day, health care monitoring, transportation, and beauty salon services. The community is 100% private pay.

Commonwealth Senior Living at Kings Grant House: 440 N Lynnhaven Road, Virginia Beach, VA 23452

Commonwealth Senior Living at Kings Grant House is a 75-bed assisted living and memory care community built in 1991 and renovated in 2014. The two-story property sits on a 1.23-acre parcel, encompasses 43,777 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its residents, including weekly housekeeping and laundry service, award-winning activity programming, and a myriad of locally sourced dining options.

Commonwealth Senior Living at Leigh Hall: 890 Poplar Hall Drive, Norfolk, VA 23502

Commonwealth Senior Living at Leigh Hall is an assisted living and memory care community consisting of 84 beds. The community was built in 1984 and renovated in 2015. The property sits on a 1.82-acre parcel, encompasses approximately 56,070 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers the largest suites in the market (>500 sq. ft.). Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services. The property is also conveniently located less than a half-mile drive from Sentara Leigh Hospital.

Commonwealth Senior Living at Oak Ridge: 360 Laboratory Road, Oak Ridge, TN 37830

Commonwealth Senior Living at Oak Ridge is an independent and assisted living community with 131 beds. The community was built in 1984, with renovations in 2013. The property sits on a 4.22-acre parcel, encompasses 105,500 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

Commonwealth Senior Living at Radford: 7486 Lee Highway, Radford, VA 24141

Commonwealth Senior Living at Radford is an independent living, assisted living, and memory care community consisting of 101 beds. The community was built in 1986 and renovated in 2009. The property sits on a 5.00-acre parcel, encompasses approximately 67,985 square feet, and offers studio and one-bedroom apartments. Services offered to residents include 24/7 on-site care staff, dining programs that revolve around fresh ingredients sourced from around the state, on-site recreational amenities, health care monitoring, transportation, and beauty salon services. The community is 100% private pay.

Commonwealth Senior Living at South Boston: 435 Hamilton Boulevard, South Boston, VA 24592

Commonwealth Senior Living at South Boston is an 82-bed assisted living and memory care community built in 1998, renovated in 2014, and expanded in 2020. The two-story property sits on a 4.11-acre parcel, encompasses 52,733 square feet, and offers studio apartments, a small portion of which are deemed semi-private occupancy and may house more than one individual. The community is fittingly located a quarter of a mile away from Sentara Halifax Regional Hospital. The community offers a range of services for its residents, including weekly housekeeping and laundry service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at Stafford: 30 Kings Crest Drive, Stafford, VA 22554

Commonwealth Senior Living at Stafford is a 62-bed community with assisted living and memory care services, built in 1998 with renovations made in 2003, 2010, and 2017. The two-story property sits on a 5.86-acre parcel, encompasses 29,510 square feet, and offers private and semi-private studio apartments. The price point of the semi-private units is lower and may be more attractive for some residents. The community is 100% private pay and offers a range of services for its residents from AL to MC, including weekly housekeeping service, three full meals a day, and on-site recreational amenities.

Commonwealth Senior Living at The Ballentine: 7211 Granby Street, Norfolk, VA 23505

Commonwealth Senior Living at The Ballentine is an 88-bed assisted living and memory care community built in 1952 and renovated in 2015. The property sits on a 2.36-acre parcel, encompasses 43,347 square feet, and is excellently located in the second most populous city in Virginia. The property is highly regarded within the local

community and offers monthly themed activity programs across all levels of living, award-winning Sweet Memories™, and “Today from the Bay” fresh seafood program. The community is 100% private pay.

Commonwealth Senior Living at The West End: 2400 Gaskins Road, Richmond, VA 23238

Commonwealth Senior Living at The West End is a 95-bed assisted living and memory care community built in 2000 and renovated in 2016. The property sits on an 8.07-acre parcel, encompasses 44,311 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers a range of services for its residents, including weekly housekeeping and laundry service, three full meals a day, and on-site recreational amenities. The West End has high visibility and is located adjacent to a protected nature reserve.

Commonwealth Senior Living at Willow Grove: 1120 York Road, Willow Grove, PA 19090

Commonwealth Senior Living at Willow Grove is a 116-bed assisted living and memory care community built in 1989 and renovated in 2018. The three-story property sits on a 3.06-acre parcel, encompasses 57,798 square feet, and offers gourmet dining served in a lakeside dining room, daily social activities and events, and weekly housekeeping. Willow Grove is an affordable alternative to national providers and high-cost entry fee communities in the area. The community is 100% private pay.

Heritage Senior Living Properties

Belle Reve Senior Living: 404 East Harford Street, Milford, PA 18337

Belle Reve Senior Living is an assisted living and memory care community consisting of 86 beds. The three-story community was built in 1977, with renovations made in 2000. The property sits on a 0.68-acre parcel, encompasses approximately 47,800 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay for AL and MC residents. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

Cardinal Village: 455 Hurffville–Cross Keys Road, Sewell, NJ 08080

Cardinal Village is an independent living and assisted living community consisting of 217 beds. The community was built in 1989. The property sits on a 13.94-acre parcel, encompasses approximately 168,000 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

Heritage Hill Senior Community: 800 Sixth Street, Weatherly, PA 18255

Heritage Hill Senior Community is an assisted living and memory care community consisting of 104 beds. The one-story community was built in 1999. The property sits on a 7.99-acre parcel, encompasses approximately 48,829 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of senior living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

The Birches at Harleysville: 691 Main Street, Harleysville, PA 19438

The Birches at Harleysville is an assisted living and memory care community consisting of 85 beds. The three-story community was built in 2008. The property sits on a 2.46-acre parcel, encompasses 62,666 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

The Birches at Newtown: 70 Durham Road, Newtown, PA 18940

The Birches at Newtown is an assisted living and memory care community consisting of 117 beds. The two-story community was built in 2014. The property sits on an 8.91-acre parcel, encompasses 82,151 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff,

weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

Traditions of Cross Keys: 3152 Glassboro Cross Keys Road, Glassboro, NJ 08028

Traditions of Cross Keys is a 79-bed assisted living and memory care community built in 2000 and renovated in 2016. The one-story property sits on a 3.46-acre parcel, encompasses 44,100 square feet, and offers studio and one-bedroom apartments. The community offers a range of services for its residents, including weekly housekeeping and laundry service, three full meals a day, salon/barber services, a theatre/auditorium, a health center with exercise and therapy facilities, a library, and on-site recreational amenities.

Traditions of Lansdale: 1800 Walnut Street, Lansdale, PA 19446

Traditions of Lansdale is an assisted living and memory care community with 144 beds. The community was built in 1985, with renovations completed in 2016. The property sits on a 6.45-acre parcel, encompasses 40,000 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, bathing services (for MC patients), and beauty salon services. Traditions of Lansdale is currently undergoing a significant renovation project which includes the conversion of a portion of the community into Independent Living apartments. The project is expected to finish prior to the end of 2024.

Phoenix Senior Living Property

The Retreat at Summerville: 950 Travelers Boulevard West, Summerville, SC 29485

The Retreat at Summerville is an independent living, assisted living, and memory care community consisting of 75 beds. The one-story community was built in 1996, with renovations in 2016 and 2018. The property sits on a 5.97-acre parcel, encompasses 42,140 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, on-site recreational amenities, health care monitoring, and beauty salon services. The Retreat at Summerville was sold on January 31, 2024.

Cascade Capital Group Properties

Glendale Care and Rehab Center: 6263 North Green Bay Avenue, Glendale, Wisconsin 53209

Glendale Care and Rehab Center is a 94 licensed bed post-acute transitional rehab and long-term care combination property. The single-story facility is located on 3.76 acres and totals 48,395 square feet. Located less than 10 miles north of downtown Milwaukee, the property was originally built in 1994 and most recently underwent renovations in 2015. The community offers dementia and memory care as well as rapid rehabilitation, S.T.A.T. (Stabilize, Treat, Assess, and Transition), cardiac, complex wound care, and palliative care programs.

The Pearl at Hillside: 4600 N. Frontage Road, Hillside, Illinois 60162

The Pearl at Hillside is a post-acute transitional rehab and long-term care combination property that consists of 198 licensed beds. The property also offers a complete range of dementia and memory care services as well as specific programs geared towards rehabilitation, including rapid rehabilitation, orthopedic, cardiac, complex wound care, and palliative care. The three-story property was built in 1996 and renovated in 2013 and is located in the western Chicago suburb of Hillside. The property sits on 2.37 acres and totals 78,251 square feet. The post-acute wing includes a therapy gym and dining room. Within the last six years, another wing was renovated to serve post-acute and long-term care residents.

RYZE on the Avenue: 3400 S. Indiana Avenue, Chicago, Illinois 60616

Ryze on the Avenue is a post-acute transitional rehab and long-term care combination property that consists of 302 licensed beds. It offers dementia and memory care services, as well as specific programs geared towards rehabilitation, including rapid rehabilitation, orthopedic, cardiac, complex wound care, and palliative care. The four-story property was built in 1977, renovated in 2007, and is located in the Bronzeville neighborhood of Chicago's south side. The property sits on 1.85 acres and encompasses 91,055 square feet.

The Pearl of Evanston: 820 Foster Street, Evanston, Illinois 60201

The Pearl of Evanston is a post-acute transitional rehabilitation and long-term care property that consists of 158 licensed beds, including services for dementia and memory care. Built in 1978, this five-story brick property is located in the Chicago suburb of Evanston. It sits on 0.79 acres and totals 75,000 square feet. The property underwent renovations in 2015 and early 2016. It provides rehabilitation programs including cardiac, pulmonary, complex wound care, and respiratory and speech therapy.

Chapters Living Properties

Chapters Living Little Rock: 2501 Aldersgate Road, Little Rock, Arkansas, 72205

Chapters Living of Little Rock is a memory care community with 74 beds. The community was built in 2015. The one-story property sits on a 5.70-acre parcel, encompasses 48,382 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers an atmosphere that allows caregivers to interact with residents. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The community is located near the entrance of a 145-acre hospital campus with easy access to multiple health care facilities, including the main campus of Baptist Medical Center on Aldersgate, the University of Arkansas Medical Center and St. Vincent's Medical Center, within a three-mile radius of the campus.

Chapters Living of New Braunfels: 2022 State Highway 46 West, New Braunfels, Texas, 78130

Chapters Living of New Braunfels is a memory care community with 64 beds. The community was built in 2016. The one-story property sits on a 5.50-acre parcel, encompasses 48,382 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers an atmosphere that allows caregivers to interact with residents. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The community is in the high growth northwest area of New Braunfels, conveniently located in the Texas Hill Country. The site has easy access to multiple health care facilities, including CHRISTUS Santa Rosa Health System, McKenna Memorial Hospital, and the new Resolute Health Hospital.

Chapters Living of San Antonio: 10910 Town Center Drive, San Antonio, Texas, 78251

Chapters Living of San Antonio is a memory care community with 64 beds. The community was built in 2016. The one-story property sits on a 3.31-acre parcel, encompasses 43,097 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers an atmosphere that allows caregivers to interact with residents. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The community has easy access to multiple health care facilities, including CHRISTUS Santa Rosa Health System, Baptist Medical Center, the Baptist Emergency Hospital, and a new Methodist Hospital facility now in the planning stages. Adjoining the property is a newly constructed medical office building, anchored by a large primary care medical practice.

Constant Care Management Properties

Grand Brook Memory Care of Allen: 965 Junction Drive, Allen, Texas, 75013

Grand Brook Memory Care of Allen is a memory care community with 32 beds. The community was completed in 2017. The one-story property sits on a 2.77-acre parcel, encompasses 28,055 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers a smaller two-home design intended to create a more comfortable atmosphere for residents. The community has two kitchens, two dining rooms, a chapel, a lounge, and an outdoor courtyard.

Grand Brook Memory Care of Carrollton: 1800 King Arthur Blvd, Carrollton, TX 75010

Grand Brook Memory Care of Carrollton is a memory care community with 43 beds. The community was completed in 2002. The one-story property sits on a 3.17-acre parcel, encompasses 23,978 square feet, and offers design features unique for residents with memory care requirements.

Grand Brook Memory Care of Fishers: 9796 E. 131st Street, Fishers, Indiana, 46038

Grand Brook Memory Care of Fishers is a memory care community with 36 beds. The community was completed in 2018. The one-story property sits on a 2.74-acre parcel, encompasses 26,880 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers a smaller two-

home design intended to create a more comfortable atmosphere for residents. The community has two kitchens, two dining rooms, a chapel, a lounge, and an outdoor courtyard.

Grand Brook Memory Care of Garland: 5600 North Shiloh Road, Garland, Texas, 75044

Grand Brook Memory Care of Garland is a memory care community with 44 beds. The community was built in 2006. The one-story property sits on a 3.52-acre parcel, encompasses 24,846 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay. The community has a library, a beauty/barbershop, an arts and crafts work area, and an outdoor courtyard. The community is located three and a half miles from the Baylor Medical Center at Garland, a 185-bed full-service hospital.

Grand Brook Memory Care of Grapevine: 2501 Heritage Avenue, Grapevine, Texas, 76051

Grand Brook Memory Care of Grapevine is a memory care community with 43 beds. The community was built in 2004. The one-story property sits on a 2.40-acre parcel, encompasses 24,846 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay. The community has a library, a beauty/barbershop, an arts and crafts work area, and an outdoor courtyard. Grand Brook Memory Care of Grapevine is located less than two miles from the Baylor Regional Medical Center, a 233-bed full-service hospital.

Grand Brook Memory Care of Grand Rapids: 5281 Wilson Avenue SW Wyoming, MI 49418

Grand Brook Memory Care of Grand Rapids is a memory care community with 42 beds. The community was built in 2020. The one-story property sits on a 6.39-acre parcel, encompasses 31,080 square feet, and offers design features unique for residents with memory care requirements. The community has a library, a beauty/barbershop, an arts and crafts work area, and an outdoor courtyard. Grand Brook Memory Care of Grand Rapids is located less than two and a half miles from University of Michigan Health-West, a 208-bed teaching hospital.

Grand Brook Memory Care of Greenwood: 2444 S. State Road 135, Greenwood, Indiana, 46143

Grand Brook Memory Care of Greenwood is a memory care community with 36 beds. The community was completed in 2019. The one-story property sits on a 5.00-acre parcel, encompasses 26,880 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers a smaller two-home design intended to create a more comfortable atmosphere for residents. The community has two kitchens, two dining rooms, a chapel, a lounge, and an outdoor courtyard. Grand Brook Memory Care of Greenwood is located less than six miles from Community Hospital South, a hospital in the Community Health Network.

Grand Brook Memory Care of McKinney: 175 Plateau Drive, McKinney, Texas, 75069

Grand Brook Memory Care of McKinney is a memory care community with 43 beds. The community was built in 2005. The one-story property sits on a 2.29-acre parcel, encompasses 24,846 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay. The community has a library, a beauty/barbershop, an arts and crafts work area, and an outdoor courtyard. The community is located at the entrance to a large medical campus, which includes assisted living communities, transitional care facilities and a large independent living community.

Grand Brook Memory Care of Rogers: 5125 W Pleasant Grove Road, Rogers, Arkansas, 72758

Grand Brook Memory Care of Rogers is a memory care community with 36 beds. The community was completed in 2016. The property sits on a 5.06-acre parcel, encompasses 28,055 square feet, and offers design features unique for residents with memory care requirements. The community has two kitchens, two dining rooms, a chapel, a library, lounge and activity rooms, and an outdoor courtyard. Grand Brook Memory Care of Rogers is located less than two miles from the Mercy Hospital Northwest Arkansas.

Grand Brook Memory Care of Zionsville: 11870 Sandy Drive, Zionsville, Indiana, 46077

Grand Brook Memory Care of Zionsville is a memory care community with 36 beds. The community was completed in 2019. The one-story property sits on a 3.70-acre parcel, encompasses 26,880 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers a smaller two-home design intended to create a more comfortable atmosphere for residents. The community has two kitchens, two dining rooms, a chapel, a lounge, and an outdoor courtyard. Grand Brook Memory Care of Zionsville is located less than five miles from the IU Health North Hospital.

Health Dimensions Group Property

Terra Bluffs: 8797 South Chambers Road, Parker, CO 80134

Terra Bluffs is a state-of-the-art assisted living and memory care community built in 2023. This two-story property sits on a 4.58-acre parcel, encompassing 101,265 square feet. Services offered to residents include a variety of life enrichment programs, visiting medical practitioners, and educational seminars. The community has a fitness center, a chapel, an outdoor courtyard with walking paths, and a sky lounge/pub.

Hearth Management Properties

Keepsake Village at Greenpoint: 138 Old Liverpool Road, Liverpool, New York 13088

Keepsake Village at Greenpoint is a 56-bed memory care community built in 1998. The one-story property sits on a 4.35-acre parcel, encompasses 31,000 square feet, and offers both semi-private and studio apartments. The community is 100% private pay and is located on the same campus as The Hearth at Greenpoint (described below). Services offered to residents include 24/7 on-site nursing and care staff, weekly housekeeping and laundry service, three full meals a day, personal care assistance, and organized activities and social events.

The Hearth at Greenpoint: 150 Old Liverpool Road, Liverpool, New York 13088

The Hearth at Greenpoint is a 186-bed independent living and assisted living community located next to Keepsake Village at Greenpoint. Built in two phases between 1991 and 1994, the community is comprised of two buildings that vary in height between two and four stories, sit on a 7.90-acre parcel and encompass 180,952 square feet. The community offers studio apartments, one-bedroom apartments, and two-bedroom apartments. The community is 100% private pay and offers a complete range of living options from IL to AL. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, personal care assistance, recreational amenities, and an on-site full-service therapy company that offers residents personalized wellness programs.

The Hearth on James: 830 James Street, Syracuse, New York 13203

The Hearth on James is a 71-bed independent living and assisted living community built in 2000 and renovated in 2007. The three-story property sits on a 2.11-acre parcel, encompasses 49,715 square feet, and offers both studio and one-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL private apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping service, three full meals a day, personal care assistance, on-site recreational amenities, and an on-site full-service therapy company that offers residents personalized wellness programs.

The Providence Group Properties

Columbia Post Acute: 3535 Berrywood Drive, Columbia, MO 65201

Columbia Post Acute is a TCC with 70 licensed beds designated as skilled nursing for shorter-term stay patients. Completed in 2017, the single-story property sits on 7.26 acres and totals approximately 49,793 square feet. The community provides 24/7 nursing care as well as rehabilitation services including physical, occupational and speech therapy, stroke and cardiac rehabilitation, and outpatient therapy services. The community also features resort type amenities for guests, including a full-service salon and spa, a fully equipped gym, and spacious social and recreational areas for multiple planned activities. Columbia Post Acute was sold on March 5, 2024.

Houston Transitional Care: 8550 Jason Street, Houston, TX 77074

Houston Transitional Care is a TCC with 70 licensed beds designated as skilled nursing for shorter-term stay patients. Completed in 2017, the single-story property sits on 4.66 acres and totals approximately 48,275 square feet. The community provides 24/7 nursing care as well as rehabilitation services including physical, occupational and speech therapy, stroke and cardiac rehabilitation, and outpatient therapy services. The community also features resort type amenities for guests, including a full-service salon and spa, a fully equipped gym, and spacious social and recreational areas for multiple planned activities. Houston Transitional Care was sold on March 5, 2024.

North Houston Transitional Care: 9814 Grant Road, Houston, Texas 77070

North Houston Transitional Care is a TCC with 70 licensed beds designated as skilled nursing for shorter-term stay patients and 24 beds designated as assisted living for those patients requiring a longer-term rehabilitation stay. Completed in 2017, the two-story property sits on 5.54 acres and totals approximately 68,664 square feet. The community provides 24/7 nursing care as well as rehabilitation services including physical, occupational and speech therapy, stroke and cardiac rehabilitation, and outpatient therapy services. The community also features resort type

amenities for guests, including a full-service salon and spa, a fully equipped gym, and spacious social and recreational areas for multiple planned activities. North Houston Transitional Care was sold on March 5, 2024.

Saber Healthcare Properties

Kingston Health Care Center: 702 Third Avenue, Kingston, Pennsylvania 18704

Kingston Health Care Center is a 65-bed licensed SNF, specializing in short-term rehabilitation and long-term nursing care. The single-story property was built in 1992 and underwent significant renovations in 2013. The property sits on 2.33 acres, encompasses 22,970 square feet, and is located within two miles of an area hospital. The payor mix is comprised of Medicare, Medicaid, and private pay for services offered. The facility's skilled nursing services offered include 24/7 nursing care, post-surgical care, physical, speech and occupational therapy, respite care, cardiac recovery, and stroke recovery. Long-term care provides 24-hour medical and support services to individuals with a chronic condition or a prolonged illness, including life enrichment activities, salon and barber services, laundry services, and restaurant style meals. Kingston Health Care Center was sold on February 29, 2024.

Mid-Valley Health Care Center: 81 Sturges Road, Peckville, Pennsylvania 18452

Mid-Valley Health Care Center is a 38 licensed bed SNF, specializing in short-term rehabilitation and long-term nursing care. Located in the northern Scranton suburb of Peckville, the single-story property was built in 1992 and underwent significant renovations in 2013 and 2014. The property sits on 2.05 acres, encompasses 15,170 square feet and is within a ten-mile radius of two area hospitals. The payor mix is comprised of Medicare, Medicaid and private pay for services offered. The skilled nursing services include, but are not limited to, 24/7 nursing care, post-surgical care, physical, speech and occupational therapy, respite care, cardiac recovery, and stroke recovery. Long-term care provides 24-hour medical and support services to individuals with a chronic condition or a prolonged illness, including life enrichment activities, salon and barber services, laundry services, and restaurant style meals. Mid-Valley Health Care Center was sold on February 29, 2024.

Traditions Management Property

Oakwood Village Senior Living: 4400 McHugh Road, Zachary, LA 70791

Oakwood Village Senior Living is an 80-bed assisted living and memory care community built in 1998, with renovations made in 2004. The one-story property sits on an 11.3-acre parcel (5 acres usable), encompasses 51,480 square feet, and offers studio and one-bedroom apartments. The community is 100% private pay and offers a range of services for its assisted living and memory care residents. Services offered to residents include on-site care staff, weekly housekeeping and laundry service, a library, transportation services, three full meals a day, and on-site recreational amenities.

Medical Office Buildings

Camillus Medical Center West: 5700 West Genesee Street, Camillus, NY 13031, USA

Camillus Medical Center West is an 81,506 square foot facility. Constructed in 1956 and renovated in 1998, the two-story building sits on a 9.25-acre parcel. The facility is home to a large surgical center, a laboratory, medical imaging, the State of New York sleep center, a large family care practice group, a physiotherapy clinic, and various other specialists.

East Amherst Medical Building: 1150 Youngs Road, Buffalo, NY 14221

The East Amherst Medical Building is a medical office building located in Buffalo, New York. Constructed in 1990, the two-story building sits on a 4.2-acre parcel with 35,042 square feet of net rentable area. The facility features on-site tenant and patient parking and is leased to a full complement of medical services, including general practitioners, radiology, diagnostics, lab, gastroenterology, physiotherapy, dentistry and two surgery groups.

RISK FACTORS

The Corporation faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the Corporation and the operators of the Corporation's properties. Described below are certain risks that could materially affect the Corporation. Other risks and uncertainties that the Corporation does not presently consider to be material, or of which the Corporation is not presently aware, may become important factors that affect the

Corporation's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, results of operations or cash flow of the Corporation.

RISK FACTORS RELATED TO THE BUSINESS OF THE CORPORATION

Our real property ownership subjects us to tenant and related risks.

The Corporation currently owns a portfolio of properties. It is also expected that the Corporation will acquire interests in other real property in the future. All real property investments are subject to elements of risk.

The value of real property and any improvements thereto depends on the credit and financial stability of tenants, and, indirectly, upon the underlying performance of the properties. The Corporation's AFFO may be adversely affected if one or more operators are unable to meet their obligations under their leases or if any of the properties in which the Corporation has an interest are not able to be leased to an operator on economically favorable lease terms.

In the event of default by an operator under a lease, delays or limitations in enforcing rights as lessor or contracting party, as applicable, may be experienced and substantial costs in protecting the Corporation's investment may be incurred. Furthermore, at any time, an operator of any of the properties in which the Corporation has an interest may experience cash flow issues, including in respect of making its payments under the applicable leases or other agreements, and/or seek the protection of bankruptcy, insolvency or similar laws that could result in the disclaimer and termination of such operator's lease, any of which events could have an adverse effect on the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

Upon the expiration of any lease, there can be no assurance that the lease will be renewed, or the operator replaced. The terms of any subsequent lease may be less favorable to the Corporation than the existing lease. The ability to rent unleased properties will be affected by many factors, including general economic conditions, local real estate markets, changing demographics, supply and demand for seniors housing and care properties, competition from other available premises, and various other factors, many of which will be beyond the Corporation's control.

Additionally, due to changing trends in the design of the types of properties that will be owned by the Corporation, it is possible that certain of the Corporation's properties will be less desirable than newer models developed by competitors. This, in turn, would affect the ability of the Corporation to renew its leases with existing operators and, in the event such leases are not renewed, to rent unleased properties.

There is significant competition in the real estate business, both for new acquisitions, and operators and tenants.

The real estate business is competitive. Numerous other developers, managers and owners of seniors housing and care properties and medical office buildings do and will compete with the Corporation in seeking operators and tenants. Some of the properties located in the same markets as the Corporation's properties will be newer, better located, less levered or have stronger tenant profiles than the Corporation's properties. Some property owners with properties located in the same markets as the Corporation's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn and better able to adapt existing and new properties to changing trends in design and functionality. The existence of developers, managers and owners in such markets and competition for the residents and tenants of such properties could have a negative effect on the Corporation's ability to find replacement operators and tenants for its properties in such markets. This negative effect in turn could have an adverse effect on the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favorable than those that the Corporation may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Disease Outbreaks

The occurrence of an illness that leads, or is anticipated to lead, to a local, regional, or national outbreak or epidemic, or to an international outbreak or pandemic, such as Middle East Respiratory Syndrome (MERS-CoV), Severe Acute Respiratory Syndrome (SARS), Ebola (EVD), H1N1 influenza virus, avian flu, the ongoing COVID-19 pandemic, or any similar illness or mutations thereof, could affect the Corporation's business as a result of the implementation of measures such as travel bans and restrictions, stay-at-home orders, social distancing guidelines and limitations on other business activity.

The COVID-19 pandemic resulted in a significant economic downturn globally and led to disruptions and volatility in capital markets. The Corporation is not able to fully quantify the impact that the COVID-19 pandemic had on its financial results but expects that the pandemic had a material adverse effect on its results of operations, financial position, and cash flows, particularly given the negative economic and public health conditions in the United States and Canada that persisted for a few years. The ultimate impact of the pandemic on the Corporation's results continues to depend on future developments, which are highly uncertain and cannot be predicted with confidence. This includes, among other factors, lingering negative economic conditions, the impact of the pandemic on occupancy rates in the Corporation's communities, the volume of COVID-19 patients cared for across the portfolio, and the impact of government actions on the seniors housing industry and broader economy, including through existing and future stimulus efforts.

Our real estate investments are relatively illiquid.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. The Corporation's seniors housing and care properties are not readily converted for other uses. Transfers of operations of such health care related facilities are also oftentimes subject to regulatory approvals that other types of commercial real estate do not require. Such factors may limit the Corporation's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Corporation was required to liquidate its real property investments, the proceeds to the Corporation might be significantly less than the aggregate carrying value of its properties, which could have an adverse effect on the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

The management company faces significant business risks given the nature of its operations.

The Corporation, through its ownership in the Commonwealth management company, is subject to general business risks and risks inherent to the seniors housing industry, including fluctuations in occupancy levels, increases in labor and other operating costs, competition from other similar properties and service providers, health-related risks, the potential for unfavorable changes to regulations, the imposition of new or increased taxes and capital expenditure requirements. In addition, there are certain risks involved in providing housing and health care services to seniors such as instances of injury or death of the residents, negligent acts by employees or others who come into contact with the residents, and other operational risks.

The Commonwealth portfolio faces significant competition for residents from other operators.

Other managers and owners of seniors housing properties compete with the Corporation and the Commonwealth management company in seeking residents. The existence of this competition may adversely affect the Corporation's ability to find residents and the level of rents the Corporation is able to charge, which could have an adverse effect on the Corporation's revenue.

The Commonwealth management company faces competition for experienced labor and increasing labor costs.

The Commonwealth management company competes in local markets with other health care service providers with respect to attracting and retaining qualified management and other employees who are responsible for the day-to-day operations of each of our communities. It is dependent on the available labor pool of employees to provide the care its residents require. Increased competition for, or a shortage of labor supply or changes in the labor market may require more costly wage and benefits packages in order to compete. In addition, we have experienced and may continue to experience wage pressures due to minimum wage increases mandated by state and local laws and the proposed increase to the salary thresholds for overtime exemptions under the Fair Labor Standards Act, which the Department of Labor is currently contemplating. It is unclear what rule changes the Department of Labor will adopt. No assurance can be given that labor costs will not increase, or if they do increase, that they can be offset by corresponding increases in rental revenue or other cost savings.

The Commonwealth portfolio and other Corporation owned communities may be adversely impacted by the inability of seniors to afford resident fees due to various factors.

Costs to seniors associated with independent and assisted living services are not generally reimbursable under government reimbursement programs such as Medicare and Medicaid. Only seniors with income or assets meeting or exceeding the comparable median in the regions where our communities are located typically can afford to pay our monthly resident fees. Economic downturns, softness in the housing market, higher levels of unemployment among resident family members, lower levels of consumer confidence, stock market volatility and/or changes in demographics could adversely affect the ability of seniors to afford our resident fees. If we are unable to retain and/or attract seniors with sufficient income, assets or other resources required to pay the fees associated with independent and assisted living services and other service offerings, our occupancy, revenues, results of operations and cash flow could decline.

The license or registration necessary to operate certain of our communities may be negatively impacted by things outside of our control.

Our senior living communities are subject to regulation and licensing by state and local health and other regulatory authorities. Although requirements vary from state to state, these requirements may address, among others, personnel education, training and records, community services, staffing, physical plant specifications, food and housekeeping services, emergency power generator requirements, professional licensing and certification of staff. In several of the states there are different levels of care that can be provided based on the level of licensure. In several of the states in which we operate, assisted living and memory care communities require a CON before the community or agency can be opened or the services at an existing community can be expanded. Senior living communities may also be subject to state and/or local building, zoning, fire, and food service codes and must be in compliance with these local codes before licensing or certification may be granted. Failure to obtain a license, or loss of a required license or registration would prevent a community from operating in the manner intended by us. State and local laws also may regulate the expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction or renovation of health care facilities by requiring a CON or other similar approval from a state agency.

Unannounced surveys or inspections may occur annually or bi-annually or following a regulator's receipt of a complaint about the provider. From time to time in the ordinary course of business, we receive survey reports from state regulatory bodies resulting from such inspections or surveys. Most inspection deficiencies are resolved through a plan of corrective action relating to the community's operations, but the reviewing agency may have the authority to take further action against a licensed or certified community or agency, which could result in the imposition of fines, imposition of a provisional or conditional license, suspension or revocation of a license, suspension or denial of admissions, loss of certification as a provider under federal reimbursement programs or imposition of other sanctions, including criminal penalties. Loss, suspension or modification of a license may also cause us to default under our debt and lease documents and/or trigger cross-defaults. Sanctions may be taken against providers or communities without regard to the providers' or communities' history of compliance. Any future substantial failure to comply with any applicable legal and regulatory requirements could result in a material adverse effect to our business as a whole. In addition, our operations could suffer if future regulatory developments, such as federal assisted living and memory care laws and regulations, as well as mandatory increases in the scope and severity of deficiencies determined by survey or inspection officials or increase the number of citations that can result in civil or criminal penalties. Furthermore, certain states may allow citations in one community to impact other communities in the state. Revocation or suspension of a license, or a citation, at a given community could therefore impact our ability to obtain new licenses or to renew existing licenses at other communities, which may also cause us to be in default under our loans or adversely affect our ability to operate and/or obtain financing in the future.

We have significant fixed costs that may not be able to be passed on to operators or tenants.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. Although the Corporation's leases generally pass these costs to the operators and tenants, there is no assurance that such operators and tenants will have sufficient cash to pay such costs or the rent required by their leases. If the operators and tenants fail to pass along these costs, the Corporation may be unable to meet mortgage payments on any property, and losses could be sustained as a result of the mortgagee's exercise of its rights to charge additional interest or penalties, or of foreclosure or sale. Additionally, if a property is not leased, these costs will be borne by the Corporation. Costs may also be incurred in making improvements or repairs to a property required by a

new operator or tenant and income may be lost as a result of any prolonged delay in attracting a suitable operator or tenant for a property.

The timing and amount of capital or other expenditures by the Corporation indirectly affects the amount of cash available for distribution. Distributions may be reduced, or even eliminated, at times when the Corporation deems it necessary to make significant capital or other expenditures.

We rely on our operators and tenants and negative results in their operations can have a negative impact on us.

Each of the seniors housing and care and the medical office industries is highly competitive, and it may become more competitive in the future. The Corporation's operators compete with numerous other companies providing similar seniors housing and care services or alternatives, such as home health agencies, life care at home, community-based service programs, retirement communities and convalescent centers. As a result, the Corporation cannot be certain that the operators of its properties will be able to achieve and maintain occupancy and rate levels that will enable them to meet all of their obligations to the Corporation.

The Corporation leases a substantial portion of its properties to a limited number of operators, and certain of them represent a significant source of the Corporation's total revenues and operating income.

In addition, any inability or unwillingness by other operators to make rental payments or to otherwise satisfy obligations or comply with covenants (including the applicable rent coverage ratios) under a lease could have a material adverse effect on the Corporation's business, financial condition, results of operations, liquidity, ability to service its indebtedness and other obligations and its ability to make distributions. Any failure by any of the operators of the Corporation's properties to effectively conduct its operations or to maintain and improve the Corporation's properties could adversely affect its business reputation and its ability to attract and retain patients and residents in the Corporation's properties, which could have a material adverse effect on the Corporation. Due to the nature of their business, the operators may be subject to lawsuits, which may in turn subject the Corporation to such litigation. Litigation is expensive, time-consuming and may divert Management's attention away from the operation of the Corporation. Although the operators have agreed to indemnify, defend and hold the Corporation harmless from and against various claims, litigation and liabilities arising in connection with their respective businesses, there is no assurance such operators will possess sufficient assets, income, access to financing and insurance coverage to enable them to satisfy their indemnification obligations.

In addition, operators of the Corporation's properties are subject to numerous federal, state, provincial and local laws and regulations that are subject to frequent and substantial changes (sometimes applied retroactively) resulting from legislation, adoption of rules and regulations and administrative and judicial interpretations of existing law. The ultimate timing or effect of these changes cannot be predicted. These changes may have a dramatic effect on such operators' costs of doing business and the amount of reimbursement by both government and other third-party payors. The failure of any of the Corporation's operators to comply with these laws, requirements and regulations could adversely affect their ability to meet their obligations to the Corporation.

Any adverse developments in the business and affairs, financial strength or ability of the Corporation's tenants to operate the Corporation's properties efficiently and effectively could have a material adverse effect on the Corporation. If any of the operators of the Corporation's properties experience any significant financial, legal, accounting or regulatory difficulties due to a weakened economy or otherwise, such difficulties could result in, among other adverse events, acceleration of its indebtedness, the inability to renew or extend its credit facilities, the enforcement of default remedies by its counterparties or the commencement of insolvency proceedings, any one or a combination of which could have a material adverse effect on the Corporation.

Our operators may experience decreases in revenues or increases in expenses which may negatively impact our overall financial results.

The Corporation's operators' revenues are primarily driven by occupancy, private pay rates and Medicare and Medicaid reimbursement. Expenses for the seniors housing and care properties in which the Corporation is invested are primarily driven by the costs of labor, food, utilities, taxes, insurance, rent and/or debt service. Revenues from government reimbursement have, and may continue to, come under pressure due to reimbursement cuts and state budget shortfalls. Operating costs will likely continue to increase for the Corporation's operators. To the extent that

any decrease in revenues or any increase in operating expenses results in a property not generating enough cash to make payments to the Corporation, the credit of the Corporation's operator and the value of other collateral would have to be relied upon. To the extent the value of such a property is reduced, the Corporation may need to record an impairment for such asset. Furthermore, if the Corporation decides to dispose of an underperforming property, such sale may result in a loss. Any such impairment or loss on sale would negatively affect the Corporation's results.

We are exposed to certain risks due to our concentration on seniors housing and health care related real estate.

The Corporation makes investments primarily in seniors housing and health care related properties, which subjects the Corporation to the risks inherent in concentrating investments in a limited number of asset classes. A downturn in the real estate industry generally or the seniors housing and health care related real estate sector specifically could reduce the value of the Corporation's properties and could require the Corporation to recognize impairment losses from its properties. The risks the Corporation faces may be more pronounced than if the Corporation diversified its investments outside real estate in general or outside health care real estate specifically.

We may have difficulty finding suitable replacement tenants in the event of a tenant default or non-renewal of our leases.

In the event that a tenant operator defaults under a lease, the leases provide numerous rights and remedies to the Corporation. In the event the Corporation exercises its right to remove a tenant operator from a property, the Corporation will be able to, in the United States, either designate a new tenant operator or designate an interim tenant operator to operate the property until a more permanent tenant operator is identified. In Canada, the Corporation's current intention is to, as needed, identify appropriate replacement tenant operators through its arrangements and relationships with the health authorities and/or through the Corporation's relationships in the Canadian seniors housing and care industry. In the event that one or more replacement tenant operators are required to be appointed by the Corporation in respect of one or more of its properties, there may be a delay in the appointment of such tenant operator(s) and/or the new lease(s) may be on terms that are not as favorable to the Corporation as the terms of the lease with the then existing operator. Any such delay or variation in the terms could have a material adverse effect on the Corporation. Additionally, bankruptcy and insolvency laws afford certain rights to a party that has filed for bankruptcy or reorganization. In the event that the tenant becomes subject to bankruptcy or insolvency proceedings, it may limit or delay the Corporation's ability to collect unpaid rent or exercise other rights and remedies.

We cannot predict whether our tenants will renew existing leases beyond their current terms. If any of our leases are not renewed upon expiration, we would attempt to lease those properties to another tenant. In case of non-renewal, we generally expect to have advance notice before expiration of the lease term to arrange for repositioning of the properties and our tenants are required to continue to perform all of their obligations (including the payment of all rental amounts) for the non-renewed assets until such expiration. However, following expiration of a lease term or if we exercise our right to replace a tenant in default, rental payments on the related properties could decline or cease altogether while we reposition the properties with a suitable replacement tenant. We also might not be successful in identifying suitable replacement tenants or entering into leases with new tenants on a timely basis or on terms as favorable to us as our current leases, or at all. We may also be required to fund certain expenses and obligations (e.g., real estate taxes, debt costs and maintenance expenses) to preserve the value of, and avoid the imposition of liens on, our properties while they are being repositioned. Our ability to reposition our properties with a suitable tenant could be significantly delayed or limited by state licensing, receivership, certificate of need or other laws, as well as by the Medicare and Medicaid change-of-ownership rules. We could also incur substantial additional expenses in connection with any licensing, receivership or change-of-ownership proceedings. In addition, our ability to locate suitable replacement tenants could be impaired by the specialized health care uses or contractual restrictions on use of the properties, and we may be required to spend substantial amounts to adapt the properties to other uses. Any such delays, limitations and expenses could adversely impact our ability to collect rent, obtain possession of leased properties or otherwise exercise remedies for tenant default and could have a material adverse effect on us. In addition, if we are unable to re-let the properties to health care operators with the expertise necessary to operate the type of properties in which we invest, we may be forced to sell the properties at a loss due to the repositioning expenses likely to be incurred by potential purchasers.

All of these risks may be greater in smaller markets, where there may be fewer potential replacement tenants, making it more difficult to replace tenants, especially for specialized space, and could have a material adverse effect on us.

The license, registration or CON necessary to operate certain of our properties may be negatively impacted by things outside of our control.

Failure to obtain a license, registration or CON, or loss of a required license, registration or CON, would prevent a facility from operating in the manner intended by the operators. These events could materially adversely affect the Corporation's operators' ability to make rent payments to the Corporation. State and local laws also may regulate the expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction or renovation of health care facilities by requiring a CON or other similar approval from a state agency.

The time that it will take to stabilize operations of new developments is unknown.

Recently developed properties may take longer than expected to achieve stabilized operating levels, if at all. To the extent such facilities fail to reach stabilized operating levels or achieve stabilization later than expected, it could materially and adversely affect our tenants' abilities to make payments to us under their leases and thus adversely affect our business and results of operations.

We grow through acquisitions and there is no assurance that we will be able to continue to identify suitable acquisitions or successfully integrate any acquired properties.

The Corporation's business plan includes, among other things, growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and leasing such properties. If the Corporation is unable to manage its growth effectively, it could adversely impact the Corporation's financial position and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth by way of property acquisitions or that the Corporation will be able to identify suitable assets or acquire assets on an accretive basis.

There is no assurance that we will be able to successfully enter new markets.

If the opportunity arises, the Corporation may explore acquisitions of properties in new markets. Each of the risks applicable to the Corporation's ability to acquire and successfully integrate and operate properties in its current markets is also applicable to its ability to acquire and successfully integrate and operate properties in new markets. In addition to these risks, the Corporation may not possess the same level of familiarity with the dynamics and market conditions of any new markets, which could adversely affect its ability to expand into or operate in those markets. The Corporation may be unable to achieve the desired return on its investments in new markets. If the Corporation is unsuccessful in expanding into new markets, it could adversely affect its business, financial condition, results of operations and cash flow, the trading price of Common Shares, 2022 Convertible Debentures or 2023 Convertible Debentures and the Corporation's ability to satisfy debt service obligations and to make dividends to Shareholders.

We may not be able to continue to access capital to fund our growth strategy and operations.

The real estate industry is highly capital intensive. The Corporation will require access to capital to maintain its properties, as well as to fund its growth strategy and certain capital expenditures. There can be no assurances that the Corporation will otherwise have access to sufficient capital or access to capital on terms favorable to the Corporation for future property acquisitions, financing or refinancing of properties, development of properties, funding operating expenses or other purposes. Failure by the Corporation to access required capital could adversely impact the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

We may not be able to continue to service our debt and may be subject to other financing risks.

The Corporation maintains indebtedness on its investment properties. Although a portion of the cash flow generated by the Corporation's properties is devoted to servicing such debt, there can be no assurance that the Corporation will continue to generate sufficient cash flow from operations to meet required interest and principal payments on its outstanding indebtedness. If the Corporation is unable to meet its obligations, it may be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The failure of the Corporation to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact the Corporation's financial condition and results of operations, thereby decreasing the amount of cash available for distribution.

The Corporation is subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by the Corporation's properties will not be able to be refinanced or that the terms of such

refinancing will not be as favorable as the terms of existing indebtedness. To the extent the Corporation incurs variable rate indebtedness, there will be fluctuations in the Corporation's cost of borrowing as interest rates change. To the extent that interest rates rise, the Corporation's operating results and financial condition could be adversely affected, thereby decreasing the amount of cash available for distribution.

The Corporation's credit facilities contain covenants that require the Corporation to maintain certain financial ratios on a consolidated basis. These covenants are oftentimes tied to the financial results of the operator of the investment property. An operator's poor financial results could negatively impact the Corporation's ability to meet the financial ratios in its applicable credit facility. If the Corporation does not maintain such ratios, its ability to pay dividends or make other distributions could be limited. In some cases, the event of a tenant default under a lease could result in a default under loan covenants.

Breach of Privacy or Information Security Systems

The protection of tenant, employee, and company data is critically important to the Corporation. The Corporation's business, as well as some of its tenants' businesses, may require the use and storage of personally identifiable and other sensitive information. The collection and use of personally identifiable information is governed by federal, state and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase the Corporation's operating costs and adversely impact the Corporation's ability to market the Corporation's properties.

The security measures put in place by the Corporation, and such tenants, cannot provide absolute security, and the Corporation and its tenants' information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents, including, ransom of data, such as, without limitation, resident and/or employee information, due to employee error, malfeasance, or other vulnerabilities. Any such incident could compromise the Corporation's or such tenants' networks, and the information stored by the Corporation or such tenants could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to assets of the Corporation, or other harm. Moreover, if a data security incident or breach affects the Corporation's systems or such tenants' systems or results in the unauthorized release of personally identifiable information, the Corporation's reputation and brand could be materially damaged and the Corporation may be exposed to a risk of loss or litigation and possible liability, including, without limitation, loss related to the fact that leases with such tenants, or such tenants' financial condition, may not allow the Corporation to recover all costs related to a cyber breach for which they alone or they and the Corporation should be jointly responsible for, which could result in a material adverse effect on the Corporation's business, results of operations and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. In the future, the Corporation may expend additional resources to continue to enhance the Corporation's information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that the Corporation will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on the Corporation's systems, or that any such incident will be discovered in a timely manner. Further, the techniques used by criminals to obtain unauthorized access to sensitive data, such as phishing and other forms of human engineering, are increasing in sophistication and are often novel or change frequently; accordingly, the Corporation may be unable to anticipate these techniques or implement adequate preventative measures.

If the Corporation does not allocate and effectively manage the resources necessary to build and sustain reliable information technology infrastructure, fails to timely identify or appropriately respond to cybersecurity incidents, or the Corporation's or its tenants' or third-party vendors' information systems are damaged, destroyed, shut down, interrupted or cease to function properly, the Corporation's business could be disrupted and the Corporation could, among other things, be subject to: the loss of or failure to attract new tenants; the loss of revenue; the loss or unauthorized access to confidential information or other assets; the loss of or damage to trade secrets; damage to its reputation; litigation; regulatory enforcement actions; violation of privacy, security or other laws and regulations; and remediation costs.

We may not fully control all of our investments.

The Corporation has and may in the future, directly or indirectly, invest in joint venture arrangements. Although the Corporation may not have control over these investments and therefore, may have a limited ability to protect its position therein, such joint venture arrangements will contain terms and conditions which, in the opinion of the Independent Directors, are commercially reasonable, including without limitation, such terms and conditions relating to restrictions on the transfer, acquisition and sale of the Corporation's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the Corporation, provisions to limit the liability of the Corporation and its Shareholders to third parties and provisions to provide for the participation of the Corporation in the management of the joint venture arrangements. Nevertheless, such investments may involve risks not present in investments where a third-party is not involved, including without limitation: (i) the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment; (ii) the possibility that a co-venturer may have economic or business interests or goals which are inconsistent with those of the Corporation (including relating to the sale of properties held in the joint venture or the timing of the termination and liquidation of such joint venture); (iii) the risk that a co-venturer may be in a position to take action contrary to the Corporation's investment objectives; (iv) the risk that a co-venturer may, through its activities on behalf of or in the name of the joint venture or partnership, expose or subject the Corporation to liability; or (v) the need to obtain a co-venturer's consent with respect to major decisions or the inability to have any decision making authority. In addition, the sale or transfer of interests in certain of the joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture agreements may provide for buy-sell or similar arrangements. Such rights may limit the Corporation's ability to sell an interest in a property or a joint venture within the time frame or otherwise on the basis the Corporation desires. Additionally, drag-along rights may be triggered at a time when the Corporation may not intend to sell a property and the Corporation may be forced to do so at a time when it would not otherwise be in the Corporation's best interest.

Development Risks

The Corporation's strategy includes, among other things, growth through the indirect acquisition of pre-leased development projects. Pursuant to the Development Agreements and similar agreements with other developers, the Corporation has certain rights to acquire prescribed development projects, as well as the opportunity to finance such development opportunities via mezzanine loans at an interest rate that is accretive to the Corporation. If a developer defaults on a mezzanine loan or debt that is senior to the Corporation's mezzanine loan, or in the event of the bankruptcy of a developer to whom the Corporation has advanced a mezzanine loan, the Corporation's mezzanine loan, including the mezzanine financing currently in place, will be satisfied only after repayment in full of the senior debt. As a result, the Corporation may not recover all or some of its investment in these loans. The failure of developers or their subsidiaries to perform their obligations under the applicable development agreement could have a material adverse effect on the Corporation.

Certain of our credit facilities have variable rates and we may be adversely impacted by rising interest rates.

The Corporation could require extensive financial resources to implement its strategy. When concluding financing agreements or extending such agreements, the Corporation will depend on its ability to agree on terms, including in respect of interest payments and, if applicable, amortization, that will not impair the Corporation's desired AFFO per Common Share and that do not restrict its ability to make dividends to Shareholders. In addition to the current credit facilities, the Corporation may enter into future financing agreements with variable interest rates. There is a risk that interest rates will increase in the future. An increase in interest rates could result in a significant increase in the amount paid by the Corporation to service debt, resulting in a decrease in or the elimination of dividends to Shareholders, which could materially adversely affect the trading price of the Common Shares, 2022 Convertible Debentures or 2023 Convertible Debentures. In addition, increasing interest rates may put pressure on the levels of dividends made by the Corporation to Shareholders, increasing the level of competition for capital faced by the Corporation, which could have a material adverse effect on the trading price of the Common Shares, 2022 Convertible Debentures or 2023 Convertible Debentures.

The Corporation may implement hedging programs, where applicable, in respect of its indebtedness, including the Facility, in order to offset the risk of revenue losses and to provide more certainty regarding the payment of dividends to Shareholders. However, to the extent that the Corporation fails to adequately manage its variable interest rate risks, its financial results, and its ability to pay dividends to Shareholders and interest payments under the credit facilities and any other variable rate financings, may be materially adversely affected.

The Corporation, through its financing and hedging programs, where applicable, had previously entered-into contracts based on U.S. dollar-denominated LIBOR rates. Effective June 30th, 2023, the U.S. dollar-denominated LIBOR panel ceased, and the Corporation has successfully transitioned any remaining LIBOR based contracts into a replacement benchmark. In most cases U.S. dollar-denominated LIBOR rates were replaced by U.S. dollar-denominated SOFR rates.

Increases in interest rates generally cause a decrease in demand for real property. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by lenders, could have a material adverse effect on the Corporation's ability to sell any of its properties.

As an owner of real estate, we are subject to certain environmental liability associated with such ownership.

Environmental legislation and regulations have become increasingly important in recent years. As an owner of interests in real property in the United States and Canada, the Corporation is subject to various U.S. and Canadian laws relating to environmental matters. Such laws provide that the Corporation could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further, liability may be incurred by the Corporation with respect to the release of such substances from or to the Corporation's properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. These laws also govern the maintenance and removal of asbestos containing materials in the event of damage, demolition or renovation of a property and emissions of and exposure to asbestos fibers in the air. The presence of contamination or the failure to remediate contamination may adversely affect the Corporation's ability to sell such properties, realize the full value of such properties or borrow using such properties as collateral security, and could potentially result in claims against the Corporation by public or private parties.

The Corporation intends to generally obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a new property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments will provide the Corporation with some level of assurance about the condition of property, the Corporation could become subject to liability for undetected contamination or other environmental conditions at its properties, which could negatively impact the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

The Corporation intends to make the necessary capital and operating expenditures to comply with applicable environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on the Corporation's business, financial condition or results of operations and decrease the amount of cash available for distribution. However, environmental laws can change, and the Corporation may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution.

We are subject to general insured and uninsured risks.

The business carried on by the Corporation entails an inherent risk of liability. From time to time, the Corporation may be subject to lawsuits as a result of the nature of its business. The Corporation's operators are required to carry comprehensive property insurance coverage with customary policy specifications, limits and deductibles and will be required to include the owner of the property as an additional insured under such policies. There can be no assurance, however, that such policies will not lapse, claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the Corporation not covered by, or in excess of, the Corporation's insurance could have a material adverse effect on the Corporation's business, operating results and financial condition. Claims against the Corporation, regardless of their merit or eventual outcome, also may have a material adverse effect on the Corporation's ability to attract operators or expand its businesses and will require Management to devote time to matters unrelated to the operation of the Corporation's business.

We rely on certain key personnel and our business may be negatively impacted by their departure.

The management and governance of the Corporation depends on the services of certain key personnel, certain Executive Officers, and the Directors of the Corporation. The loss of the services of any such individual could have an adverse effect on the Corporation and adversely impact the Corporation's financial condition and results of operations and decrease the amount of cash available for distribution. The Corporation does not have key man insurance on any of its key employees.

We may not be able to recover against third parties for breaches of representations and warranties in the purchase agreements for properties we acquire.

Pursuant to the purchase agreements entered into by the Corporation (or its affiliate buyer) in respect of the acquisition of the Corporation's properties, the sellers and the previous operators of the properties acquired by the Corporation have made certain representations and warranties to the Corporation (or its affiliate buyer) with respect to the applicable properties. The purchase agreements also generally include an obligation of the respective sellers to indemnify the Corporation (or its affiliate buyer) in respect of various items, including a breach of a representation and warranty or covenant in the respective purchase agreement, which indemnities are typically subject to certain caps and time limitations. There can be no assurance that the Corporation (or its affiliate buyer) will be fully protected in the event of a breach of a purchase agreement or that the applicable sellers will be in a position to satisfy a successful claim by the Corporation (or its affiliate buyer) in the event any such breach occurs. The Corporation (or its affiliate buyer) may not be able to successfully enforce the indemnities contained in a purchase agreement or such indemnities may not be sufficient to fully indemnify the Corporation (or its affiliate buyer) from third-party claims. The inability to recover fully any significant liabilities incurred with respect to breaches of representations and warranties under a purchase agreement may have adverse effects on the Corporation's financial position.

There may be changes to governmental reimbursement programs such as Medicare or Medicaid which may negatively impact our operators.

A significant portion of the Corporation's SNF property operators' revenue is derived from government-funded reimbursement programs, such as Medicare and Medicaid. Failure to maintain certification and accreditation in these programs would result in a loss of funding from such programs. Further, such revenues may be subject to statutory and regulatory changes, retroactive rate adjustments, recovery of program overpayments or set-offs, court decisions, administrative rulings, policy interpretations, payment or other delays by MACs, government funding restrictions (at a program level or with respect to specific facilities) and interruption or delays in payments due to any ongoing government investigations and audits at such property. In previous years, government payors have frozen or reduced payments to health care providers due to budgetary pressures. Health care reimbursement will likely continue to be of paramount importance to federal and state authorities. The Corporation cannot make any assessment as to the ultimate timing or effect any future legislative reforms may have on the financial condition of the Corporation's tenants and properties. There can be no assurance that adequate reimbursement levels will be available for services provided by any property operator, whether the property receives reimbursement from Medicare, Medicaid or private payors. Significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on a tenant's liquidity, financial condition and results of operations, which could adversely affect the ability of a tenant to meet its obligations to the Corporation.

More generally, and because of the dynamic nature of the legislative and regulatory environment for health care products and services, and in light of existing federal deficit and budgetary concerns, the Corporation cannot predict the impact that broad-based, far-reaching legislative or regulatory changes could have on the United States economy, the Corporation's business or that of the Corporation's operators.

New payment systems for health care services are being explored by many payors, including government payors. The goal of many of these efforts is to reduce costs to the Medicare program and therefore such initiatives could reduce payments to the Corporation's tenants. To the extent payments to tenants are reduced and tenants fail to pay rents to the Corporation, these programs could have a material adverse effect on the Company. Moreover, commercial payors often institute payment programs similar to those instituted by CMS. If this were to happen, it could further negatively impact the financial strength or ability of the Corporation's tenants to fulfill their obligations to the Corporation.

Our operators are subject to fraud and abuse laws and regulations which may negatively impact operations.

There are various complex federal and state laws and regulations governing fraud and abuse by health care providers. The laws define fraud and abuse expansively to include many relationships and referral arrangements that are common in other industries but illegal in health care. Violation of these laws or regulations by a tenant could result in the imposition of extremely large criminal or civil fines or penalties, exclusion from the Medicare and Medicaid programs and reputational harm that may jeopardize a tenant's ability to continue operating its property or make lease payments to the Corporation. Reducing fraud and abuse in health care has been identified as a priority of the OIG and the DOJ. OIG and DOJ enforcement efforts are a significant risk to any health care operator or provider. Additionally, a tenant's violation of fraud and abuse laws or regulations could cause reputational damage to the Corporation.

There may be legislative developments in the U.S. which could negatively impact our business.

Each year, legislative proposals are introduced or proposed in Congress, and in some state legislatures, that would cause major changes in the health care system, either nationally or at the state level. The Corporation will not be able to predict whether any proposals will be adopted or, if adopted, what effect, if any, these proposals would have on operators and, thus, the Corporation's business.

There may be further attempts to control the fees paid to health care providers which may negatively impact our business.

The regulation of long-term care and certain assisted living homes by government regulatory authorities includes the control of fees and the monitoring of funds provided by government regulatory authorities to support programs provided in such homes and to subsidize accommodation costs for qualifying residents. As a result of increasing health care costs, the risk exists that funding agencies may in the future reduce the level of, or eliminate, such fees, payments or subsidies. There can be no assurance that the current level of such fees, payments and subsidies will be continued or that such fees, payments and subsidies will increase commensurate with expenses. Operators may also be required to refund amounts previously paid by government funding programs. As the Corporation currently has an interest in and may acquire additional seniors housing and care properties in Canada, any changes in funding levels or policies could cause the revenues of the Corporation or the Corporation's operators, as applicable, to decline, potentially jeopardizing their ability to meet their obligations to the Corporation.

There may be legislative developments in Canada that may negatively impact our business.

In Canada, as in the United States, health care in general is an area subject to extensive regulation and frequent regulatory change. A number of provinces are promoting regionally managed and regulated health care systems. This movement towards a heightened and/or more regional approach to high-activity care regulation has resulted in increased levels of enforcement activity over the past several years. As a result, costs to respond and/or defend surveys, inspections, audits and investigations in connection with this enhanced monitoring and enforcement are significant and are likely to increase in the current environment. Also, as the Corporation currently has an interest in and may acquire additional seniors housing and care properties in Canada, there can be no assurance that future regulatory changes in health care, particularly those changes affecting the seniors housing and care industry, will not directly adversely affect the Corporation.

Risk Factors Relating to Common Shares

Our dividends are not guaranteed.

On April 10, 2020, the Corporation announced that it was suspending the dividends on the Common Shares until further notice. There can be no assurance that the Corporation will resume the declaration and payment of dividends. Even if the Corporation does resume dividend payments, there can be no assurance regarding the amount of income to be generated by the Corporation's properties. The ability of the Corporation to pay cash dividends, and the actual amount paid, will be entirely dependent on the operations and assets of the Corporation. Any determination to pay cash dividends will be at the discretion of the Board after considering such factors as the Corporation's financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, obligations under applicable credit facilities and any other factors that the Board may deem relevant. The market value of the Common Shares will deteriorate if the Corporation is unable to meet its dividend targets in the future, and that deterioration may be significant. See "Dividend Policy."

Our share ownership is concentrated in a few significant Shareholders and they may be able to exercise substantial influence over the Corporation.

As of December 31, 2023, the Funds owned or controlled approximately 26% of the outstanding Common Shares, 100% of the Preferred Shares and approximately 23% of the Common Shares on a fully diluted basis assuming the full conversion of the Preferred Shares. The Funds are not involved in the day-to-day management and governance of the Corporation and have not been granted any nomination rights to nominate candidates to the Board but have the right to appoint a board observer. However, for so long as the Funds maintain a substantial interest in the Corporation, the Funds will be in a position to exercise substantial influence with respect to the affairs of the Corporation and significantly affect the outcome of the votes of holders of Common Shares and may have the ability to prevent certain fundamental transactions. If the Funds reduce their interests in the Corporation, the market price of the Common Shares could fall. The perception among the public that these sales may occur could also produce such effect.

As of December 31, 2023, Tiptree owned or controlled approximately 30% of the outstanding Common Shares. Tiptree has been granted the right to nominate one Board member and one Board observer. For so long as Tiptree maintains a substantial interest in the Corporation and a nominee on the Board, Tiptree will be in a position to exercise substantial influence with respect to the affairs of the Corporation and significantly affect the outcome of the votes of holders of Common Shares and may have the ability to prevent certain fundamental transactions. If Tiptree reduces its interest in the Corporation, the market price of the Common Shares could fall. The perception among the public that these sales may occur could also produce such effect.

Our Common Share price is subject to market volatility.

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;
- changes in estimates of future results of operations by the Corporation or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation;
- addition or departure of the Corporation's Executive Officers and other key personnel;
- release or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional securities, including Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Corporation's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

Since our Common Shares are U.S. denominated, our Canadian Shareholders will be subject to exchange rate fluctuations.

The Common Shares are denominated in U.S. dollars. Although dividends on the Common Shares have been suspended, it is anticipated that if any dividends are paid to Shareholders in the future, any such dividends paid to Shareholders will be paid in U.S. dollars, and therefore, Canadian investors who hold our U.S. dollar denominated shares will be subject to potential fluctuations in the Canadian/U.S. dollar exchange rate. In addition, U.S. dollar amounts must generally be converted into Canadian dollars for tax purposes using the applicable exchange rate.

Tax-Related Risk Factors

Canadian Tax Risks

FAPI

FAPI earned by IVQ U.S. (or any other “controlled foreign affiliate” of the Corporation, as defined in the Tax Act) must be included in computing the Corporation’s income for the taxation year of the Corporation in which the taxation year of IVQ U.S. (or other controlled foreign affiliate) ends, subject to a deduction for grossed-up “foreign accrual tax” as computed in accordance with the Tax Act. The Corporation intends that the income earned from the properties currently owned by the Corporation will not give rise to FAPI and has structured the operations of its controlled foreign affiliates accordingly. However, there is no assurance that this will continue to be the case or that this position will not be challenged by the Canada Revenue Agency. The deduction for grossed-up “foreign accrual tax” may not fully offset the FAPI realized by IVQ U.S., thereby increasing the Corporation’s Canadian tax liability and reducing cash available for distribution. In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act as though IVQ U.S. was a resident of Canada (subject to the detailed rules contained in the Tax Act), income or transactions that are not taxable to IVQ U.S. under the relevant tax laws (including under the Code) may still give rise to FAPI for purposes of the Tax Act and, accordingly, may result in a Canadian tax liability of the Corporation, thereby reducing cash available for distribution.

Change of Law

The Corporation is subject to Canadian tax laws. There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative policies and assessing practices of the Canada Revenue Agency will not be changed in a manner that adversely affects the Corporation or Shareholders. Any such change could increase the amount of tax payable by the Corporation or its affiliates or could otherwise adversely affect Shareholders by reducing the amount available to pay dividends or changing the tax treatment applicable to Shareholders in respect of such distributions.

Non-Residents of Canada

The Tax Act imposes withholding taxes on distributions made by the Corporation to Shareholders who are non-residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time.

Canadian Foreign Affiliate Dumping Rules

The Tax Act FAD Rules affecting foreign-controlled corporations that are resident in Canada and that make various forms of direct and indirect “investments” in foreign corporations that are, or after the investment and as part of a transaction or event or series of transactions or events that includes the making of the investment become, “foreign affiliates” of the Canadian-resident Corporation. The Corporation was previously a foreign-controlled Canadian resident corporation under the Tax Act. As a result, certain investments made by the Corporation in foreign corporations (i) resulted in a reduction of the “paid-up capital” of the Common Shares for purposes of the Tax Act and (ii) could result in the Corporation being deemed to have paid a dividend for purposes of the Tax Act to the Funds Manager or an affiliated entity (resulting in a liability for non-resident Canadian withholding tax), which could increase the Corporation’s tax costs and have a material adverse effect on the Corporation or the Shareholders. As a result of the application of the FAD Rules, the paid-up capital for purposes of the Tax Act of each Common Share may be materially less than the price for which it was issued (and accordingly less than a Shareholder’s adjusted cost base in such share). The Corporation intends to manage its investments and affairs such that it will not be deemed to have paid any dividends by virtue of the FAD Rules. In general, the reduced paid-up capital of the Common Shares should not have a material adverse effect on the Corporation or the Shareholders. However, in certain circumstances the reduced paid-up capital of the Common Shares could have a material adverse effect on Shareholders. For example, if a Common Share held by a Shareholder is redeemed by the Corporation (other than through an open market purchase in the manner in which shares would normally be purchased by any member of the public in the open market), the Shareholder will be deemed to have received a dividend from the Corporation equal to the amount, if any, by which the redemption proceeds exceed the aggregate paid-up capital of the share redeemed (regardless of the adjusted cost base of such share to the Shareholder). If the Shareholder is a non-resident of Canada, any such deemed dividend will be subject to Canadian withholding tax.

United States Tax Risks

Change of Law

IVQ U.S. is subject to United States tax laws. There can be no assurance that United States federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative and assessing practices and policies of the Internal Revenue Service and the Department of Treasury will not be changed, possibly on a retroactive basis, in a manner that adversely affects IVQ U.S., the Corporation or Shareholders. In particular, any such change could increase the amount of United States federal income tax payable by IVQ U.S. or its affiliates or could otherwise adversely affect Shareholders by reducing the amount available to pay distributions.

Change of law or subsequent events could affect the Corporation's status as a foreign corporation for U.S. federal income tax purposes and impose U.S. withholding tax on certain payments made by the Corporation.

Although the Corporation is incorporated in Canada, the IRS may assert that it should be treated as a U.S. corporation (and therefore, a U.S. tax resident) for U.S. federal income tax purposes, pursuant to section 7874 of the Code. For U.S. federal income tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because the Corporation is a Canadian incorporated entity, it would generally be classified as a foreign corporation (and therefore, a non-U.S. tax resident) under these rules. Section 7874 provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes.

The Corporation believes that it will be classified as a foreign corporation for U.S. federal income tax purposes. However, the IRS could disagree with this determination. Furthermore, such determination could be influenced by subsequent events (such as a subsequent issuance of Common Shares by the Corporation). In addition, there have been legislative proposals to expand the scope of U.S. corporate tax residence, including by potentially causing a corporation to be treated as a U.S. corporation if the management and control of such corporation and its affiliates were determined to be located primarily in the United States, and there could be prospective or retroactive changes to Section 7874, the U.S. Treasury regulations promulgated thereunder or to other relevant tax laws that could result in the Corporation being treated as a U.S. corporation.

If the IRS were able to successfully assert that the Corporation is classified as a U.S. corporation for U.S. federal income tax purposes, the Corporation would be subject to U.S. federal income taxation, which could materially increase the amount of U.S. federal income tax payable by the Corporation and its subsidiaries, and certain distributions made by the Corporation would be subject to U.S. federal withholding taxes. Such consequences could have a material adverse effect on the financial position and cash flow of the Corporation and could materially reduce the after-tax distributions received by Shareholders.

INDEBTEDNESS

Debt Strategy

The Corporation seeks to maintain a combination of short-term, medium-term and long-term debt maturities that are appropriate for the overall debt level of its portfolio, taking into account availability of financing and market conditions and the financial characteristics of the properties. The Corporation utilizes conventional property-specific secured mortgages and secured floating rate bank financing, as well as unsecured and non-recourse financing. Management's objectives are to access the lowest cost debt with flexible terms, to diversify the Corporation's lender base, to have a large portion of debt be fixed rate and to have a debt maturity schedule spread over a time horizon in order to effectively manage interest rate risk and to be in a position to finance the Corporation within its target debt levels when investment opportunities are available. Management monitors the Corporation's debt by reviewing its debt to total assets ratio, interest coverage ratio, debt maturity schedule and the ratio of fixed versus floating rate debt. The Company plans to reduce the corporate credit facility by refinancing qualified assets with various lenders and platforms over the upcoming 18 months, which the Company has a history of successfully executing. Over the long term, the Company strives to have a portfolio with an average years to maturity of four to seven years.

To manage interest rate risk, the Company may enter into derivative instruments. Management's objectives are to source the lowest cost fixed rate debt within its targeted levels while laddering its fixed rate maturity schedule to effectively manage repricing risk. The Company does not designate its interest rate swaps as hedges for financial

reporting purposes, and they are marked to fair value each reporting period through change in fair value of financial instruments in the consolidated statements of loss and other comprehensive loss.

Credit Facilities

The credit facilities are recorded net of loan fees, which are capitalized as incurred and amortized into finance cost over the terms of the related loans using the effective interest rate method. All numbers are expressed in thousands of U.S. dollars, unless otherwise noted, except share and per share amounts.

| | December 31, 2023 | Borrowing rate at December 31, 2023 | December 31, 2022 | Borrowing rate at December 31, 2022 |
|---|-------------------|--|-------------------|--|
| Credit Facility Term ⁽¹⁾ | \$ — | — % | \$ 200,000 | 4.26 % |
| Credit Facility Revolver ⁽¹⁾ | — | — % | 135,836 | 5.42 % |
| Credit Facility ⁽¹⁾ | 159,000 | 7.67 % | — | — % |
| Credit Facility ⁽¹⁾ | 24 | 7.95 % | — | — % |
| Commonwealth Facility ⁽²⁾ | 177,262 | 5.76 % | 179,677 | 3.91 % |
| Finance costs, net | (271) | — | (1,512) | — |
| Carrying value | \$ 336,015 | 6.66 % | \$ 514,001 | 4.44 % |
| Less current portion | 216,015 | | 337,474 | |
| Non-current portion | \$ 120,000 | | \$ 176,527 | |

(1) The separate term and revolver credit facilities were refinanced into one credit facility on November 8, 2023. An interest rate swap was contracted on November 28, 2023 for a notional amount of \$159,000, being the total capacity of the credit facility, resulting in the fixed interest rate of 7.67%. The stated rate as of December 31, 2023 is 7.95%. \$15,000 of the Credit Facility is a revolver instrument with identical terms.

(2) The interest rate on this facility is fixed with an interest rate swap, which is included in the borrowing rate noted (note 11) and matures on March 1, 2024 while the underlying credit facility matures on August 1, 2024. The stated rate of this facility as of December 31, 2023 is 7.62%

On November 8, 2023, the Company executed an amended credit agreement replacing the existing credit facility and revolver with the same lending syndicate, which resulted in the maturity date being extended to March 31, 2025. Material terms of the new credit agreement are as follows:

- (1) The interest rate on the credit facility is initially SOFR + SOFR index adjustment of 10 basis points + 250 basis points and will increase to SOFR + SOFR index adjustment of 10 basis points + 280 basis points during the term.
- (2) The Company is prohibited from repaying subordinated debt or making common distributions.
- (3) The Company is permitted to make all required interest payments on both senior and subordinated debt.

(iv) The amended credit agreement has a declining maximum commitment balance. In addition to a \$15,000 revolving commitment over the term of the agreement, the term commitment must be reduced over the term of the loan. However, missing a required curtailment amount at the below-noted dates does not result in an event of default and instead a fee is added to the principal amounts of the credit facility. The occurrence of two or more required curtailment amounts during the term of the agreement will result in an event of default. Maximum term commitment amounts are as follows:

- (1) \$125,000 by March 31, 2024
- (2) \$115,000 by June 30, 2024
- (3) \$110,000 by September 30, 2024
- (4) \$105,000 by December 31, 2024, and

(5) \$20,000 by March 31, 2025.

(v) The amended credit agreement requires the Company to maintain a debt service coverage ratio of 1.45, which can be reduced to 1.35 upon achieving specific targets.

(vi) The amended credit agreement requires the Company to maintain a consolidated leverage ratio not to exceed 62.5% through March 31, 2024, which will be reduced to 60.0% for the quarter ending June 30, 2024, and as of each quarter end thereafter.

On March 5, 2024, the Company executed a consent and first amendment to the amended credit agreement ("first amendment") referenced above, in which the parties agreed to the completion of a series of asset sale transactions and debt refinancings in order to achieve further paydowns on the credit facility in exchange for a reduction in the minimum requirements for certain covenants. The changes to specified covenants are effective March 5, 2024, which are applicable as long as a) the Company executes on the completion of the sale of three skilled nursing buildings, then b) the term commitment does not exceed \$75,700 and the borrowing base leverage ratio does not exceed 70.0% as of August 1, 2024. Material amendments to the credit facility were as follows:

- (1) The minimum consolidated fixed charge coverage ratio shall be reduced to 1.35x from January 1, 2024, until March 31, 2024, and thereafter reduced to 1.25x
- (2) The minimum liquidity requirement shall be reduced to \$10,000 once the term commitment is reduced below \$75,700 and the borrowing base leverage does not exceed 70.0%
- (3) The minimum assumed debt service coverage ratio shall not be less than 1.30x from March 5, 2024, to September 30, 2024, and 1.50x thereafter

Failure to meet these consent conditions by August 1, 2024, shall not constitute a default or event of default, but shall result in adjusted covenants consistent with those covenants in place prior to the first amendment. A failure to meet the adjusted covenants shall result in an event of default subject to the terms of the credit agreement.

The table below shows the applicable margins at each leverage ratio during the surge period, which includes a 15-basis point increase:

| Level | Consolidated Leverage Ratio | Applicable Margin for Revolving Credit SOFR Loans | Applicable Margin for SOFR Loans that are Term Loans |
|-------|--|---|--|
| 1 | Less than 40% | 1.75 % | 1.70 % |
| 2 | Equal to or greater than 40% but less than 45% | 1.90 % | 1.85 % |
| 3 | Equal to or greater than 45% but less than 50% | 2.05 % | 2.00 % |
| 4 | Equal to or greater than 50% but less than 55% | 2.20 % | 2.15 % |
| 5 | Equal to or greater than 55% but less than 60% | 2.35 % | 2.30 % |
| 6 | Equal to or greater than 60% but less than 65% | 2.60 % | 2.55 % |

On August 1, 2019, a wholly owned subsidiary of the Company entered into a secured credit facility ("Commonwealth Facility") for the purpose of funding the acquisition of Commonwealth Tranche I. The \$176,000 new debt secured by 16 properties has a maturity date of August 1, 2024, with 2 available extension options. It bears interest at a rate of LIBOR plus 215 basis points. The agreement also provides for an accordion feature that would extend the capacity of the loan by an additional \$50,000 subject to certain terms and conditions provided for in the agreement.

On January 17, 2020, the Company entered into an amendment to the Commonwealth Facility that established a \$10,000 capital improvements holdback ("Holdback"). The Holdback provides funding to the Company for

reimbursement of capital improvements made to the properties encumbered by the Commonwealth Facility. The amendment allows the Company to be reimbursed for 65% of capital improvement costs incurred. On January 26, 2021, the Company drew \$4,453 from the Holdback for reimbursement of expenses incurred for adding additional units to the Abingdon, South Boston and Front Royal properties.

Future principal repayments of the credit facilities are as follows:

| | Aggregate principal payments |
|---------------------|------------------------------|
| 2024 | \$ 216,286 |
| 2025 | 120,000 |
| 2026 and thereafter | — |
| Total | \$ 336,286 |

Mortgages Payable

Mortgages payable consisted of the following as at December 31, 2023, and December 31, 2022:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------|-------------------|-------------------|
| Mortgages payable | \$ 214,017 | \$ 183,440 |
| Mark-to-market adjustment, net | 4,823 | 4,753 |
| Finance costs, net | (2,221) | (1,245) |
| Carrying value | \$ 216,619 | \$ 186,948 |
| Less current portion | 63,830 | 58,949 |
| Non-current portion | \$ 152,789 | \$ 127,999 |

Mortgages payable are collateralized by investment properties and property, plant and equipment with a carrying value of \$300,815 at December 31, 2023. Maturity dates on mortgages payable range from 2024 to 2054, and the weighted average years to maturity is 5.16 years at December 31, 2023.

Future principal payments on the mortgages payable as at December 31, 2023, are as follows:

| | Regular principal payments | Principal due on maturity | Total principal payments | % of total principal payments |
|------------|----------------------------|---------------------------|--------------------------|-------------------------------|
| 2024 | \$ 1,772 | \$ 62,206 | \$ 63,978 | 30 % |
| 2025 | 1,348 | 30,470 | 31,818 | 15 % |
| 2026 | 1,401 | 57,500 | 58,901 | 28 % |
| 2027 | 1,008 | 17,161 | 18,169 | 8 % |
| 2028 | 1,018 | 2,857 | 3,875 | 2 % |
| Thereafter | 24,916 | 12,361 | 37,277 | 17 % |
| | \$ 31,463 | \$ 182,555 | \$ 214,018 | 100 % |

| | December 31, 2023 | | December 31, 2022 | |
|---|-------------------|---|-------------------|--|
| Mortgages at fixed interest rates⁽¹⁾: | | | | |
| Mortgages (principal) | \$ | 135,498 | \$ | 104,003 |
| Interest rates (inclusive of interest rate swap impact) | | 2.55% to 8.12% | | 2.55% to 6.15% |
| Weighted average interest rate | | 4.95 % | | 3.98 % |
| Mortgages at variable rates: | | | | |
| Mortgages (principal) | \$ | 78,519 | \$ | 79,437 |
| Interest rates | | SOFR plus 2.40% to SOFR plus 3.50% with a 1% SOFR Floor | | LIBOR plus 2.45% with a 2% LIBOR Ceiling to AMERIBOR plus 2.925% |
| Weighted average interest rate | | 8.38 % | | 6.97 % |
| Blended weighted average rate | | 6.14 % | | 5.28 % |

(1) Weighted average interest rates include debt of \$74,182 that is fixed with interest rate swaps and interest rate caps. Details of fixed rate swaps and cap rates are as follows:

| <u>Balance and swapped or capped rate at December 31, 2023</u> | <u>Stated interest rate</u> | <u>Swapped rate / cap maturity</u> | <u>Debt maturity</u> |
|--|-----------------------------|------------------------------------|----------------------|
| \$3,000 fixed swap at 8.1% | 9.0 % | August 5, 2026 | August 5, 2026 |
| \$3,568 fixed swap at 5.9% | 7.0 % | July 31, 2024 | July 31, 2024 |
| \$10,114 SOFR cap at 2.0% plus 2.45% | 7.8 % | July 1, 2024 | August 1, 2030 |
| \$57,500 rate cap at 5.5% | 8.9 % | June 10, 2025 | January 10, 2026 |

Loans Receivable

Loans receivable issued as at December 31, 2023, and December 31, 2022 are detailed in the table below:

| Debtor | Loan Type | December 31, 2023 | December 31, 2022 | Issued Date | Maturity Date | Current Annual Interest Rate | Payment -in-kind Annual Interest Rate |
|-----------------------------------|--|-------------------|-------------------|--------------------|------------------------------|------------------------------|---------------------------------------|
| Autumnwood Lifestyles Inc. | Revolving credit facility | \$ 585 | \$ 1,107 | November 1, 2016 | December 31, 2024 | 8.6% ⁽¹⁾ | — % |
| Ellipsis Real Estate Partners | Loan receivable | 1,035 | 1,040 | September 14, 2018 | September 14, 2028 | 7.5 % | — % |
| Hillcrest Millard, LLC | Loan receivable | 361 | 459 | January 1, 2019 | January 1, 2028 | 5.0 % | — % |
| Hillcrest Firethorn, LLC | Loan receivable | 339 | 456 | January 1, 2019 | November 1, 2027 | 5.0 % | — % |
| HML-RE LLC | Loan receivable | — | 1,439 | August 30, 2022 | August 29, 2025 | 8.0 % | — % |
| HFT-RE LLC | Loan receivable | — | 1,364 | August 30, 2022 | August 29, 2025 | 8.0 % | — % |
| Winyan Investment Ltd (Brantford) | Loan receivable | 3,437 | 3,151 | November 28, 2022 | November 28, 2025 | 4.0 % | — % |
| RHS Propco Mooresville, LLC | Loan receivable | — | 5,000 | June 28, 2019 | July 1, 2024 | 8.5 % | — % |
| Blue Bell Senior Holdings, LLC | Loan receivable | 601 | 490 | February 21, 2020 | March 1, 2025 ⁽²⁾ | 5.9 % | — % |
| PSL Care GP, LLC | Loan receivable | 450 | 450 | May 6, 2020 | ⁽³⁾ | 3.5 % | — % |
| Symcare ML, LLC | Loan receivable | 7,955 | 7,940 | June 1, 2021 | December 31, 2035 | — % | 1.0 % |
| Symcare ML, LLC | Loan receivable | 3,648 | — | June 1, 2023 | February 29, 2024 | — % | 10.0 % |
| Memory Care America, LLC | Loan receivable | 3,016 | — | March 31, 2023 | July 31, 2025 | 10.0 % | — % |
| 4 Pack Master Tenant, LLC | Loan receivable | 715 | — | June 1, 2023 | May 31, 2038 | — % | 10.0 % |
| | Accrued current and non-current interest | 425 | 228 | | | | |
| | Allowance for expected credit losses on loans receivable | (12,199) | (8,111) | | | | |
| | Carrying value of loans recorded at amortized cost | \$ 10,368 | \$ 15,013 | | | | |
| Carrollton Autumn Leaves LP | Loan receivable - FVTPL | — | 2,277 | December 6, 2022 | January 1, 2049 | 4.4 % | — % |
| Javelina Ventures, LLC | Loan receivable - FVTPL | 2,484 | 2,364 | December 31, 2018 | ⁽⁴⁾ | 5.0 % | — % |
| | Carrying value of loans receivable | \$ 12,852 | \$ 19,654 | | | | |
| | Less current portion | 965 | — | | | | |
| | Non-current portion | \$ 11,887 | \$ 19,654 | | | | |

(1) This loan will bear interest rates of 8.6% and 8.9% on the outstanding balance as of January 1, 2023 and January 1, 2024, respectively. As of December 31, 2023 there is no longer any additional drawing capacity on this loan.

(2) Maturity date is the earlier of March 1, 2025, the date at which the existing debt secured by the property is refinanced, or upon termination of the management agreement.

(3) No stated maturity date for loan receivable. Principal of loan is repaid when distributions are made from the Limited Partnership operated by Phoenix Senior Living.

(4) The repayment of this loan is pursuant to the Javelina Ventures Operating Agreement in which net available cash from operations and proceeds from property recapitalization will be used to repay the principal and accrued interest on this loan with no fixed maturity date.

\$715 of the loans outstanding and \$6 of the accrued current and non-current interest as at December 31, 2023 included in the table above are due from current third party tenant operators (\$7,940 and \$15, respectively as at December 31, 2022). Of these amounts, \$7 has been reserved as uncollectible since issuance of these loans and included as part of the allowance for the loan losses (\$7,955 - December 31, 2022).

Loans receivable and associated allowance for losses on loans receivable accounted for at amortized cost as at December 31, 2023, are as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------|----------|----------|-----------|
| Loans receivable, net of loan fees | \$ 7,770 | \$ 6,842 | \$ 7,955 | \$ 22,567 |
| Allowance for losses on loans receivable | (133) | (4,111) | (7,955) | (12,199) |
| Loans receivable, net of allowances | \$ 7,637 | \$ 2,731 | \$ — | \$ 10,368 |

Loans receivable and associated allowance for losses on loans receivable accounted for at amortized cost as at December 31, 2022, are as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-----------|---------|----------|-----------|
| Loans receivable, net of loan fees | \$ 15,169 | \$ — | \$ 7,955 | \$ 23,124 |
| Allowance for losses on loans receivable | (156) | — | (7,955) | (8,111) |
| Loans receivable, net of allowances | \$ 15,013 | \$ — | \$ — | \$ 15,013 |

The changes in the gross loans receivable balance during the year ended December 31, 2023, are shown in the following table:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-----------|----------|----------|-----------|
| Total loans receivable as at December 31, 2022 | \$ 15,169 | \$ — | \$ 7,955 | \$ 23,124 |
| Loans receivable | | | | |
| Transfer to/(from) | | | | |
| Stage 1 | (3,121) | — | — | (3,121) |
| Stage 2 | — | 3,121 | — | 3,121 |
| | \$ 12,048 | \$ 3,121 | \$ 7,955 | \$ 23,124 |
| Issuances | 4,591 | 3,721 | — | 8,312 |
| Repayments | (9,185) | — | — | (9,185) |
| PIK interest | 16 | — | — | 16 |
| Currency translation | 90 | — | — | 90 |
| Amortization of mark-to-market adjustment | 210 | — | — | 210 |
| Total loans receivable as at December 31, 2023 | \$ 7,770 | \$ 6,842 | \$ 7,955 | \$ 22,567 |

The changes in the allowance for credit losses during the year ended December 31, 2023, are shown in the following table:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------|----------|----------|-----------|
| Total allowance for credit losses as at December 31, 2022 | \$ 156 | \$ — | \$ 7,955 | \$ 8,111 |
| Allowance for credit losses | | | | |
| Remeasurement | (21) | 4,081 | — | 4,060 |
| Transfer to/(from) | | | | |
| Stage 1 | (30) | — | — | (30) |
| Stage 2 | — | 30 | — | 30 |
| Stage 3 | — | — | — | — |
| | \$ 105 | \$ 4,111 | \$ 7,955 | \$ 12,171 |
| Issuances | — | — | — | — |
| Repayments | 27 | — | — | 27 |
| Currency translation | 1 | — | — | 1 |
| Write off of loans receivable and allowances | — | — | — | — |
| Total allowance for credit losses as at December 31, 2023 | \$ 133 | \$ 4,111 | \$ 7,955 | \$ 12,199 |

For the year ended December 31, 2023, a recovery of \$436 and a loss of \$4,111, respectively (year ended December 31, 2022 - \$9,239 recovery and \$16,461 recovery, respectively) was recorded as part of the remeasurement in the allowance for credit losses on loans and interest receivable in the consolidated statements of loss and comprehensive loss. The increase in allowance for credit losses is primarily due to the allowance against the Symcare loans, which have a carrying value of \$136 as of December 31, 2023, driven by increased risk associated with the collection of the loans, including the counterparty performance and assessment of its credit worthiness.

On November 21, 2022, the Company received notice that it was the winning bidder and was entered into a Loan Sale Agreement with the U.S. Department of Housing and Urban Development (“HUD”) for the purchase of a note encumbering a memory care facility located in Carrollton, Texas (“Carrollton Autumn Leaves LP”). On April 10, 2023, the Company acquired ownership of the facility as part of a deed in lieu of foreclosure agreement with the debtor or borrower under the note. The Company's assumption of ownership of the memory care facility was exchanged for forgiveness of the note receivable. In conjunction with the acquisition of the facility, the Company, as landlord, entered into a triple-net lease with a third-party operator, being an affiliate of Constant Care Management Company.

In the first quarter of 2023, the Company entered into a lease transition agreement with the previous tenant of three memory care communities in Texas and Arkansas, Memory Care America (“MCA”), which provides for the dissolving of the rental agreement. The parties agreed to transition the three memory care communities operated by MCA to a replacement operator, and MCA agreed to pay the Company for past due rent and real estate tax obligations, a portion of the rent differential between the MCA leases and the replacement operator rent for the first year of their new lease, and other transition related costs that the Company is required to incur in order to effectuate a smooth transition of the portfolio. On March 31, 2023, a promissory note totaling \$2,995 was signed by MCA in favor of the Company. The parties agreed that this note will be revised and replaced during the first quarter of 2024, to capture costs incurred by the Company that were not yet identified as of December 31, 2023. The note will earn interest at an annual rate of 10% and matures on July 31, 2025. As of December 31, 2023, the loan consisted of \$20 of net loan fees. The promissory note is guaranteed individually by executives and related parties of MCA, and a corporate guaranty from MCA's parent company was also provided.

On June 1, 2023, the Company sold seven skilled nursing buildings in Chicago Illinois. As part of the sale, the Company issued a loan receivable of \$3,647 in settlement of obligations due from Symcare ML, LLC, the prior tenant of the buildings. In addition, the Company issued an operating capital line of credit for a total amount of \$2,200 to the buyer, of which \$708 was drawn and \$16 of interest was accrued and paid in kind as of December 31, 2023.

DIVIDEND POLICY

Dividend Policy

The Directors have full discretion respecting the timing and amounts of dividends, including the adoption, amendment or revocation of any dividend policy.

Following the completion of the Offering, the Corporation paid a dividend for the period from closing of the Offering to June 30, 2016, in the amount of \$0.05729 per Common Share. Thereafter, until April 2020, the Corporation has paid subsequent monthly dividends in the amount of \$0.06139 per Common Share. On April 10, 2020, the Corporation announced that it was suspending the dividends on the Common Shares until further notice. In particular, given the unprecedented, rapid changes taking place in the market, the Corporation announced that its Board of Directors and Management believe it is prudent to preserve cash and strengthen the balance sheet by suspending the dividend.

There can be no assurance that the Corporation will resume the declaration and payment of dividends. Even if the Corporation does resume dividend payments, the ability of the Corporation to declare cash dividends, and the actual amount paid, will be entirely dependent on the operations and assets of the Corporation and will be subject to various factors including financial performance, obligations under applicable credit facilities and restrictions on payment of dividends thereunder on the occurrence of an event of default, fluctuations in working capital, the sustainability of income derived from the operators of the Corporation's properties and any capital expenditure requirements. Under the credit facility the Company is prohibited from making common distributions, which would include dividends. See "RISK FACTORS."

Dividend Reinvestment Plan

The Corporation has adopted the DRIP to enable eligible Shareholders to automatically reinvest their cash dividends in additional Common Shares. Eligible Shareholders who reinvest dividends under the DRIP will receive additional Common Shares, which will either be purchased in the market at the market price (calculated based on the volume-weighted average trading price of the Common Shares on the TSX, or other exchanges on which the Common Shares may be listed from time to time, for the five trading days preceding the applicable dividend payment date) or issued from treasury at the market price less a discount, if any, of up to 3%, as determined by the Corporation in its sole discretion from time to time. On April 10, 2020, the Corporation announced that, as a result of the suspension of the dividend payable to common Shareholders, there will also be no further issuance of Common Shares under the DRIP.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Subject to the provisions of the BCBCA, holders of Common Shares are entitled to:

- receive notice of and to attend all meetings of Shareholders, except meetings at which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to attend; and
- vote on all matters submitted to a vote or consent of Shareholders, except matters upon which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to vote.

The holders of Common Shares are entitled to one vote in respect of each Common Share held. Subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, holders of Common Shares are entitled to receive dividends if, as and when such dividends are declared by the Board, *pari passu* with the holders of Non-Voting Shares. In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among Shareholders for the purpose of winding up its affairs, subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, the holders of Common Shares are entitled to receive, *pari passu* with the holders of Non-Voting Shares, the remaining property and assets of the Corporation.

Non-Voting Shares

Subject to the BCBCA, holders of Non-Voting Shares are not entitled to vote at any meeting of Shareholders. Subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, holders of Non-Voting Shares are entitled to receive dividends if, as and when such dividends are declared by the Board, *pari passu* with the holders of Common Shares. In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among Shareholders for the purpose of winding up its affairs, subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, the holders of Non-Voting Shares are entitled to receive, *pari passu* with the holders of Common Shares, the remaining property and assets of the Corporation.

The Non-Voting Shares are convertible on a one-for-one basis into Common Shares.

Class A Shares

Class A Shares may be issued in one or more series, each series to consist of such number of Class A Shares as may be fixed by the Board. The Board may, prior to issuance, determine the designation, rights, privileges, restrictions and conditions attaching to the Class A Shares of each series.

As of the date of this Annual Information Form, there are 56,206,294 Common Shares issued and outstanding and no Non-Voting Shares or Class A Shares (other than the Preferred Shares, as described below) issued and outstanding.

Convertible Preferred Shares

On December 22, 2017, the Corporation entered into the Subscription Agreements in respect of the issuance of Preferred Shares, to be funded in multiple tranches. The first tranche was funded on December 22, 2017, and involved the issuance of 2,802,009 Series 1 Preferred Shares for aggregate gross proceeds of \$26.5 Million. The second tranche closed on February 9, 2018, and involved the issuance of 3,172,086 Series 2 Preferred Shares for aggregate gross proceeds of approximately \$30 Million third tranche closed on March 29, 2018, and involved the issuance of 1,586,042 Series 3 Preferred Shares for aggregate gross proceeds of approximately \$15 Million. On June 2019, the Corporation entered into subscription agreements with certain funds managed by the Funds Manager in respect of the issuance of Series 4 Preferred Shares. The transaction closed on August 27, 2019, and involved the issuance of 1,538,461 Series 4 Preferred Shares for aggregate gross proceeds of approximately \$15 Million.

The Corporation has provided an undertaking to the TSX that it will not exercise its mandatory conversion right in respect of the Series 1 Preferred Shares to convert the Series 1 Preferred Shares into Common Shares if the Current Market Price (as defined in the share terms governing the Series 1 Preferred Shares) is less than \$6.00 (as equitably adjusted to reflect any stock split, stock dividend, consolidation, reorganization, recapitalization, reclassification or other similar event) at either the time notice of the proposed conversion is given or at the time of the proposed conversion without the prior approval of the TSX.

The Preferred Shares are non-voting and are initially convertible into Common Shares of the Corporation on a one-for-one basis at the option of the holder based on an initial liquidation preference and a conversion price of \$9.75. The Preferred Shares were issued at a price per share equal to the initial liquidation preference of \$9.75, subject to a 3% discount. Following issuance, the liquidation preference of the Preferred Shares, except for the Series 4 Preferred Shares as discussed below, will accrue at a rate of 5.65% per annum), compounded quarterly, increasing the number of Common Shares into which each Preferred Share is convertible at the fixed rate, and is subject to further adjustments in certain circumstances.

With respect to Series 4 Preferred Shares, the terms of the Series 4 Preferred Shares are substantially similar to the terms of the Corporation's Class A Convertible Preferred Shares that are currently outstanding as noted above and are described in the Corporation's Annual Information Form filed on SEDAR at www.sedar.com, except that (i) the liquidation preference of the Series 4 Preferred Shares accrue at a rate of 9.80% for the first 24 months following the issuance of the Series 4 Preferred Shares and 12.25% thereafter, (ii) the prepayment penalty on liquidation, mandatory conversion and redemption is 1% if the applicable event occurs within the first six months after issuance of the Series 4 Preferred Shares and 0.5% if the applicable event occurs between 6 months and one year following the issuance of the Series 4 Preferred Shares, and (iii) the Series 4 Preferred Shares contain a limitation on converting the Series 4 Preferred Shares, without prior approval of the TSX, if such conversion would result in the issuance of Common

Shares equal to or exceeding 10% of the Common Shares outstanding on the date the Series 4 Preferred Shares are issued.

Upon the occurrence of any liquidation, dissolution or winding up of the Corporation, each Preferred Share is entitled to a liquidation preference in priority to the holders of the Common Shares, the non-voting shares of the Corporation and any other shares ranking junior to the Preferred Shares. However, prior to the four-year anniversary of the date the relevant Preferred Shares are issued, the Corporation shall be subject to a prepayment penalty by way of an increase in the liquidation amount ranging from 1-4% depending on the year in which the Preferred Shares are redeemed.

Holders of Preferred Shares will be entitled to dividends on the Preferred Shares if, as and when such dividends are expressly declared by the Board. There are currently no dividends paid on the Preferred Shares, and the Corporation does not currently intend to declare dividends on the Preferred Shares. Holders of Preferred Shares will not have the right to receive any dividends that are declared only with respect to the Common Shares, and the terms of the Preferred Shares do not in any way restrict the declaration and payment of any dividends on the Common Shares.

The Corporation may, at any time and from time to time, redeem the whole or any part of the Preferred Shares then-outstanding, provided that the Corporation shall only be permitted to exercise its redemption right in certain circumstances. The Corporation may only redeem Preferred Shares in an amount equal to or greater than \$5 Million per redemption event. In the event the Corporation redeems the Preferred Shares prior to the four-year anniversary of the date the relevant Preferred Shares are issued, then the Corporation shall be subject to a prepayment penalty on redemption.

Each Preferred Share is convertible into Common Shares at the option of the holder and the Corporation may also cause the conversion of the Preferred Shares into Common Shares at any time and from time to time. Notwithstanding the foregoing, the terms governing the Series 2 Preferred Shares and Series 3 Preferred Shares will provide that the Corporation will not be permitted to mandatorily convert such Preferred Shares without prior TSX approval where the Current Market Price (as defined in the share terms) of the Common Shares is less than \$6.00. In the event the Corporation mandatorily converts the Preferred Shares prior to the four-year anniversary of the date the relevant Preferred Shares are issued, then the Corporation shall be subject to a prepayment penalty on such conversion.

Preferred Interests

As part of the consideration for Commonwealth Senior Living management company and portfolio transaction, a wholly-owned, indirect subsidiary of the Corporation issued approximately \$67.4 Million of preferred limited liability company interests (“Preferred Interests”) of an indirect subsidiary of the Corporation (“Foxhound LLC”) to the sellers. The Preferred Interests are exchangeable for Common Shares on and subject to the terms of the limited liability company operating agreement of Foxhound LLC (the “LLC Agreement”) and an exchange agreement between the Corporation and the sellers.

Foxhound LLC, an indirect subsidiary of the Corporation, may under certain circumstances redeem Preferred Interests of one or more holders of Preferred Interests for an amount specified in the LLC Agreement. Upon the occurrence of certain events (including, without limitation, if Invesque has an insolvency event or there is a change of control of Invesque) a majority of the holders of Preferred Interests have the right to require the Foxhound LLC to redeem all, but not less than all, of the outstanding Preferred Interests for an amount specified in the LLC Agreement.

Holders of Preferred Interests will not have the right to receive any dividends that are declared only with respect to the Common Shares, and the terms of the LLC Agreement do not in any way restrict the declaration and payment of any dividends on the Common Shares.

The Preferred Interests do not carry voting rights in respect of the Corporation. Holders of Common Shares (received on an exchange of the Preferred Interests) are entitled to one vote per Common Share at meetings of Shareholders of the Corporation.

Convertible Debentures

On December 16, 2016, the Corporation completed the distribution of the 2022 Convertible Debentures. The 2022 Convertible Debentures are due January 31, 2022, and bear interest at an annual rate of 5.0%, payable semi-annually

in arrears on July 31 and January 31 of each year until their maturity. The conversion price of the 2022 Convertible Debentures is \$11.00 per Common Share. On December 10, 2021, the Corporation announced an amendment (“Amendment”) and partial redemption of \$20.0 Million of the 2022 Convertible Debentures. The terms of the Amendment included changing the interest rate to 7.00% effective January 31, 2022, extending the maturity date of the 2022 Convertible Debentures to January 31, 2025, and changing the conversion price to \$5.00 per Common Share.

On August 15, 2018, the Corporation completed the distribution of the 2023 Convertible Debentures. The 2023 Convertible Debentures are due September 30, 2023, and bear interest at an annual rate of 6.0%, payable semi-annually in arrears on March 31 and September 30 of each year until their maturity. The conversion price of the 2023 Convertible Debentures is \$10.70 per Common Share. On May 23, 2023, the Corporation announced an amendment (“Amendment”) to the 2023 Convertible Debentures. The terms of the Amendment included changing the interest rate to 8.75% effective September 30, 2023, decreasing the conversion price to \$2.75, extending the maturity date of the 2023 Convertible Debentures to September 30, 2026, and partial redemption of \$22.0 Million 2023 Convertible Debentures. On September 26, 2023, the Corporation announced an additional amendment (“Additional Amendment”) to the 2023 Convertible Debentures. The terms of the Additional Amendment included changing the date of the redemption to October 5, 2023, reducing the amount of the partial redemption to \$4.8 Million, and decreasing the conversion price to \$1.10. The Additional Amendment also included a covenant that the Corporation shall not make any cash repayment or redemption of principal on the 2022 Convertible Debentures unless, prior to or contemporaneously with such cash repayment or redemption, it redeems or repays for cash an equal principal amount of the 2023 Convertible Debentures. The Additional Amendment also included a covenant that the Corporation shall not issue (i) a new class or series of unsecured convertible debentures unless the maturity date for such debentures is at least 18 months after September 30, 2026 or (ii) senior notes in exchange for, or to fund the cash repayment of, all or a portion of the 2022 Convertible Debentures.

MARKET FOR SECURITIES

Trading Price and Volume

The following tables set out the high and low trading prices and aggregate volume of trading of the Common Shares, 2022 Convertible Debentures and 2023 Convertible Debentures on the TSXV for the following periods (as reported by the TSX).

Common Shares

| Month | High | Low | Traded Volume (000s) |
|----------------|-------------|------------|-----------------------------|
| January 2023 | \$1.01 | \$0.90 | 59 |
| February 2023 | \$0.98 | \$0.89 | 23 |
| March 2023 | \$0.91 | \$0.80 | 83 |
| April 2023 | \$0.93 | \$0.84 | 17 |
| May 2023 | \$0.89 | \$0.71 | 32 |
| June 2023 | \$0.80 | \$0.72 | 50 |
| July 2023 | \$0.91 | \$0.69 | 189 |
| August 2023 | \$0.85 | \$0.48 | 80 |
| September 2023 | \$0.55 | \$0.32 | 131 |
| October 2023 | \$0.36 | \$0.24 | 38 |
| November 2023 | \$0.32 | \$0.19 | 85 |
| December 2023 | \$0.25 | \$0.18 | 182 |

Common Shares (CAD\$)

| Month | High | Low | Traded Volume (000s) |
|--------------|-------------|------------|-----------------------------|
| January 2023 | \$1.33 | \$1.17 | 158 |

| Month | High | Low | Traded Volume (000s) |
|----------------|--------|--------|----------------------|
| February 2023 | \$1.29 | \$1.19 | 154 |
| March 2023 | \$1.25 | \$1.11 | 287 |
| April 2023 | \$1.22 | \$1.11 | 228 |
| May 2023 | \$1.21 | \$0.95 | 387 |
| June 2023 | \$1.08 | \$0.95 | 174 |
| July 2023 | \$1.23 | \$0.84 | 282 |
| August 2023 | \$1.15 | \$0.60 | 226 |
| September 2023 | \$0.71 | \$0.42 | 363 |
| October 2023 | \$0.48 | \$0.32 | 137 |
| November 2023 | \$0.46 | \$0.26 | 577 |
| December 2023 | \$0.33 | \$0.23 | 346 |

2022 Convertible Debentures – 7.00%

| Month | High | Low | Traded Volume (000s) |
|----------------|---------|---------|----------------------|
| January 2023 | \$75.00 | \$70.01 | 91 |
| February 2023 | \$74.80 | \$68.58 | 179 |
| March 2023 | \$74.44 | \$69.50 | 200 |
| April 2023 | \$80.00 | \$68.76 | 1,730 |
| May 2023 | \$82.50 | \$78.52 | 264 |
| June 2023 | \$84.00 | \$78.00 | 537 |
| July 2023 | \$85.00 | \$77.00 | 307 |
| August 2023 | \$86.00 | \$76.05 | 216 |
| September 2023 | \$72.00 | \$55.01 | 490 |
| October 2023 | \$61.00 | \$50.00 | 270 |
| November 2023 | \$50.00 | \$35.00 | 545 |
| December 2023 | \$43.00 | \$28.01 | 2,145 |

2023 Convertible Debentures – 8.75%

| Month | High | Low | Traded Volume (000s) |
|----------------|---------|---------|----------------------|
| January 2023 | \$85.00 | \$79.50 | 558 |
| February 2023 | \$87.00 | \$84.00 | 386 |
| March 2023 | \$86.90 | \$78.02 | 854 |
| April 2023 | \$87.99 | \$80.00 | 893 |
| May 2023 | \$87.00 | \$81.05 | 1,104 |
| June 2023 | \$83.00 | \$78.80 | 467 |
| July 2023 | \$84.50 | \$81.05 | 708 |
| August 2023 | \$88.00 | \$70.01 | 546 |
| September 2023 | \$75.25 | \$51.00 | 300 |
| October 2023 | \$57.00 | \$34.00 | 2,501 |

| | | | |
|---------------|---------|---------|-------|
| November 2023 | \$44.00 | \$30.00 | 579 |
| December 2023 | \$43.00 | \$30.01 | 2,132 |

Prior Sales

The following tables set forth the details regarding all issuances of Shares not listed or quoted on a marketplace, and securities convertible into or exchangeable for Common Shares, since the beginning of the Corporation's most recently completed financial year.

Common Shares

| Date of Issuance | Number and Type of Security Issued | Reason for Issuance | Approximate Price per Security |
|-------------------------|---|-----------------------------|---------------------------------------|
| January 1, 2023 | 160,025 Common Shares | Issued pursuant to DSU plan | \$0.91 |
| January 2, 2023 | 83,056 Common Shares | Issued pursuant to DSU plan | \$0.91 |
| March 23, 2023 | 51,165 Common Shares | Issued pursuant to DSU plan | \$0.81 |

Deferred Shares

| Date of Grant | Number and Type of Security Granted | Reason for Grant | Approximate Price per Security |
|----------------------|--|-------------------------|---------------------------------------|
| January 2, 2023 | 207,640 Deferred Shares | Director compensation | \$0.91 |

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth the name, state of residence, positions held with the Corporation and principal occupation in the last five years of the Directors and Executive Officers of the Corporation as of December 31, 2023

| Name and Municipality of Residence | Position with the Corporation as of December 31, 2023 | Principal Occupation |
|---|--|--|
| Scott White New Jersey, United States | Chairman and Chief Executive Officer | Chief Executive Officer of the Corporation |
| Brad Benbow ⁽¹⁾⁽⁶⁾⁽⁷⁾ Michigan, United States | Director | Chairman and Chief Executive Officer of Prolific |
| Adlai Chester Indiana, United States | Director and Chief Financial Officer | Chief Financial Officer and Executive Vice President, Investments of the Corporation |
| Michael Faber ^(2,7) Washington, D.C., United States | Lead Independent Director | Chief Executive Officer of NextPoint Management Company, Inc. |
| Shaun Hawkins ⁽⁴⁾⁽⁵⁾⁽⁷⁾ Indiana, United States | Director | Managing Partner of Pier 70 Ventures |
| Randy Maultsby ⁽²⁾⁽⁵⁾⁽⁷⁾ New York, United States | Director | President of Tiptree Inc. |
| Gail Steinel ⁽¹⁾⁽³⁾⁽⁷⁾ New Jersey, United States | Director | Owner of Executive Advisors |

Notes:

- (1) Member of Governance Committee.
(2) Member of Human Resources Committee.

- (3) Chair of Audit Committee.
- (4) Chair of Governance Committee.
- (5) Member of the Audit Committee.
- (6) Chair of Human Resources Committee.
- (7) Independent Director.

Brad Benbow and Shaun Hawkins have served as Directors of the Corporation since April 5, 2016. Randy Maultsby has served as a Director of the Corporation since February 1, 2018. Scott White has served as Chairman of the Corporation since March 11, 2019. Adlai Chester has served as a Director of the Corporation since May 15, 2019. Michael Faber and Gail Steinel have served as Directors of the Corporation since August 10, 2021.

The Directors were elected at the annual meeting of Shareholders of the Corporation held on June 22, 2023. The Directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment. The Directors and Executive Officers of the Corporation collectively own, control or direct, directly or indirectly, 889,634 Common Shares (or 1.58% of the Common Shares issued and outstanding), as of December 31, 2023.

Additional information regarding the Directors and Executive Officers of the Corporation is set out below:

Scott White – Chairman and Chief Executive Officer

Scott White is Chairman and Chief Executive Officer of the Corporation, responsible for the day-to-day operations and overall strategic direction. He was appointed Chief Executive Officer on January 9, 2017, and Chairman on March 11, 2019. Mr. White was previously an executive vice president with HealthLease Properties Real Estate Investment Trust. Prior to joining HealthLease Properties Real Estate Investment Trust, Mr. White spent over 15 years on Wall Street. He has 25 years of investment banking, accounting, real estate, and capital markets experience. Most recently, Mr. White served as a senior vice president in the private funds group of Brookfield Asset Management, where he was responsible for raising capital for various alternative asset vehicles across real estate, private equity, and infrastructure. His career experience also includes tenure as director and head of deal management at Citigroup's alternatives distribution group. At Citigroup, he advised clients on alternative capital raising activities in private equity, real estate, hedge and infrastructure funds. Before focusing his career on alternative assets, he was part of the health care group at Citi's Investment Bank, working with clients in the health care sector on M&A and capital raising assignments. He began his career in public accounting as an auditor for PricewaterhouseCoopers. Mr. White earned a bachelor's degree with highest honors in political science and journalism from Rutgers University. He received his master's in business administration from Rutgers Graduate School of Management and his law degree from the University of Pennsylvania Law School. He is a certified public accountant (inactive) and was admitted to the bars of New York and New Jersey (retired).

Brad Benbow – Director

Brad Benbow is the Chairman and Chief Executive Officer of Prolific. He is a nationally recognized growth strategist and regularly advises some of the fastest growing organizations in the U.S. Mr. Benbow also co-founded Prolific companies JDA Worldwide and Conquer. Mr. Benbow has over 40 years of revenue, media, and marketing experience. A Wabash College graduate with a degree in economics, Mr. Benbow started his career with Ackerman & McQueen in Dallas, Texas, and went on to co-founded Rutter Communications Network, the leading cable advertising rep firm in the U.S., before selling the firm to Comcast in 2005. He currently serves on the board of directors of both Answers in Genesis and Biglife.

Adlai Chester – Director, Chief Financial Officer and Executive Vice President, Investments

Adlai Chester is the Chief Financial officer and Executive Vice President, Investments of the Corporation, responsible for all finance related matters and day-to-day execution of investment strategy and asset management oversight. Mr. Chester assumed the Chief Financial Officer role in August of 2023, after previously serving as the Corporation's Chief Investment Officer since October 1, 2017. Prior to this, Mr. Chester was the Chief Executive Officer of the Corporation, and resigned effective January 5, 2017. Adlai has 18 years of finance, real estate, investment,

development and capital markets experience. He began his career in public accounting as an auditor. He then served as the chief financial officer for a telecommunications company, where he was instrumental in the sale of one of its most profitable divisions to Comcast. Adlai became the chief financial officer of Mainstreet Property Group in 2009, where he led the effort to take a portfolio of real estate public in 2012 (HealthLease Properties Real Estate Investment Trust). Over a two-year period, the portfolio grew from \$250 Million in assets to approximately \$1 billion. He negotiated the sale of the portfolio in 2014 in a \$2.3 billion transaction that included funding for future development.

Michael Faber – Lead Independent Director

Michael Faber has been a director since August 2021. Since 1996, Mr. Faber has served as Chief Executive Officer of NextPoint Management Company, Inc., an investment, and strategic advisory firm, advising multi-generational families and family offices on a variety of issues, including asset manager selection and oversight, direct investing, family culture and governance, philanthropy and trust and estates. Additionally, Mr. Faber currently serves as a director of CPI Aerostructures, Inc. (NYSE: CVU) and Capitalworks Emerging Markets Acquisition Corporation (Nasdaq: CMCA). From 1990 to 2008, Mr. Faber was a General Partner of the NextPoint and Walnut family of investment funds, focusing on private equity, venture capital, and structured investments. Previously, Mr. Faber was a senior advisor to the law firm of Akerman, of counsel to the law firm of Mintz Levin, an attorney with the law firm of Arnold & Porter, and a senior consultant to The Research Council of Washington, the predecessor to The Corporate Executive Board Company. Mr. Faber has served as a director, lead investor or senior advisor to more than 40 private companies and has served on the audit, governance, and compensation committees for a number of public companies. Mr. Faber is an honors graduate and John M. Olin Fellow of the University of Chicago Law School and attended the Johns Hopkins University School of Advanced International Studies and the State University of New York. Mr. Faber brings to our Board his legal and financial expertise as well as his years of investment and general business experience.

Shaun Hawkins – Director

Shaun Hawkins is Managing Partner at Pier 70 Ventures, a healthcare-focused venture fund. He previously founded the ProSyte Companies, a diversified holding entity investing in healthcare businesses and real estate. From 2012 until his departure in 2015, Mr. Hawkins was vice president of new ventures and private equity investing at Eli Lilly and Company. In this capacity, Mr. Hawkins was responsible for Eli Lilly and Company's venture capital, private equity and venture formation activities, managing over \$1.4 billion. Mr. Hawkins joined Eli Lilly and Company in 2001 and held various roles in sales and corporate business development at the corporation. In 2010, Mr. Hawkins was promoted to chief diversity officer to lead the development and implementation of Eli Lilly and Company's global diversity and inclusion strategy. Mr. Hawkins graduated magna cum laude with a bachelor's degree in business from the University of Tennessee in 1995 and earned a master's degree in business administration from the Kellogg School of Management at Northwestern University in 2000. He was previously the Chair of the board of directors of Audion Therapeutics, B.V. and Muroplex Therapeutics Inc. as well as a member of the board of directors of Accelerator Corporation, Immuneworks Inc., and Zymeworks Inc. He was also a member of the limited partner advisory committees of BioCrossroads' Indiana Enterprise Fund, Epidarex Capital, Indiana Future Fund/INext Fund and TVM Capital.

Randy Maultsby – Director

Randy S. Maultsby is President of Tiptree Inc., where he focuses on corporate strategy and development. He is responsible for overseeing the firm's acquisition, disposition, and capital markets activities. Mr. Maultsby also represents Tiptree Inc., sitting on the boards of Fortegra Financial and Reliance First Capital. Prior to joining Tiptree Inc. in 2010, Mr. Maultsby was a senior vice president in the investment banking division of Fox-Pitt, Kelton. During his investment banking career, he focused on providing strategic advice to a broad array of banks, finance, asset management and brokerage clients. Prior to joining Fox-Pitt, Kelton, Mr. Maultsby was an Associate in the M&A Group at JP Morgan and an analyst in the Financial Institutions Group at Citigroup. Mr. Maultsby received his BA in Political Science, with Honors, from Hampton University.

Gail Steinel – Director

Gail Steinel is the owner of Executive Advisors (2007-present), a business that provides consulting services to chief executives and senior officers and leadership seminars/speeches to various organizations. Prior to creating her own consulting firm, Ms. Steinel was the Executive Vice President of Global Commercial Services of Bearing Point and the global managing partner for Arthur Andersen’s Business Consulting Practice after beginning her career as an auditor at Arthur Andersen. Ms. Steinel’s public company board service experience includes Federal Realty Investment Trust (2006-present) and prior service at MTS Systems Corporation (2009-2020). In addition to her public board service, Ms. Steinel also serves on the boards of DAI, an international development company, and the Center for Hope & Safety, a nonprofit. Ms. Steinel brings to our Board over 35 years of experience in auditing, leadership, leadership development and financial systems.

Cease Trade Orders

No Director or Executive Officer of the Corporation is, as at the date of this Annual Information Form, or has been within the ten years prior to the date of this Annual Information Form, (a) a Director, Chief Executive Officer or Chief Financial Officer of any company that was subject to an order that was issued while the Director or Executive Officer was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer, or (b) a Director, Chief Executive Officer or Chief Financial Officer of any company that was subject to an order that was issued after the Director or Executive Officer ceased to be a Director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

No Director, Executive Officer of the Corporation or, to the best of the Corporation’s knowledge, Shareholder holding a sufficient number of the Corporation’s securities to affect materially the control of the Corporation, is, as at the date of this Annual Information Form, or has been within the ten years prior to the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Director, Executive Officer of the Corporation or, to the best of the Corporation’s knowledge, Shareholder holding a sufficient number of the Corporation’s securities to affect materially the control of the Corporation, has, within the ten years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

No Director, Executive Officer of the Corporation or, to the best of the Corporation’s knowledge, Shareholder holding a sufficient number of the Corporation’s securities to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Certain of the Directors and Executive Officers of the Corporation are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the business of the Corporation. Accordingly, situations

may arise where some of the Directors or Executive Officers of the Corporation will be in direct competition with the Corporation. See “RISK FACTORS.”

Conflicts of interest will be subject to the applicable provisions of the BCBCA and may result in a Director declaring their interest in and abstaining from voting on a resolution in order to have the matter resolved by Directors with no conflicts of interest, or the matter may be presented to the holders of Common Shares for ratification. Under the BCBCA, the Directors must act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances. In addition, the charter of the Board provides that a Director shall promptly inform the Chair of the Board and shall refrain from voting or participating in discussion of the matter of which they have an actual or potential conflict of interest. Pursuant to the Corporation’s Related Party Transaction Policy, all Related Party Transactions (as defined in the Related Party Transaction Policy) must be reviewed and approved or ratified by the Board of Directors.

AUDIT COMMITTEE

Audit Committee

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, substantially in the form set out under Appendix A to this Annual Information Form, which sets out the Audit Committee’s responsibilities. It is expected that the Audit Committee’s responsibilities will include: (i) reviewing the Corporation’s procedures for internal control with the Corporation’s auditors and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the Corporation’s annual information form and Management’s discussion and analysis; (iv) assessing the Corporation’s financial and accounting personnel; (v) assessing the Corporation’s accounting policies; (vi) reviewing the Corporation’s risk management procedures; (vii) reviewing any significant transactions outside the Corporation’s ordinary course of business and any pending litigation involving the Corporation; (viii) overseeing the work and reviewing of the independence of the external auditors; and (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by Management.

Members and Relevant Education and Experience

As of December 31, 2023, the Audit Committee consisted of Gail Steinel (Chair), Shaun Hawkins and Randy Maultsby, all of whom are persons determined by the Corporation to be both Independent Directors and financially literate within the meaning of National Instrument 52-110 – *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The following is a summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the Corporation to prepare its financial statements.

Gail Steinel currently serves as the audit committee Chairperson. Ms. Steinel currently serves as a consultant for Executive Advisors, Inc. and has previously served as Global Managing Partner – Business Consulting for Arthur Andersen LLP and as Executive Vice President of Global Commercial Services for BearingPoint. Ms. Steinel also serves as the audit committee Chairperson and independent director for Federal Realty Investment Trust and has previously held the position of audit committee Chairperson and independent director of other publicly traded companies. In these roles, she has accumulated extensive financial statement and reporting expertise and meets the criteria of a financial expert. Ms. Steinel received her bachelor’s degree in accounting from Rutgers University and is a Certified Public Accountant.

Shaun Hawkins graduated magna cum laude with a bachelor’s degree in business from the University of Tennessee in 1995 and earned a master’s degree in business administration from the Kellogg School of Management at Northwestern University in 2000. Mr. Hawkins was the previous board Chair for Audion Therapeutics B.V. (Netherlands) and Muroplex Therapeutics Inc. as well as a board member of Accelerator Corporation, Immuneworks, and Zymeworks Inc. Mr. Hawkins is Managing Partner at Pier 70 Ventures, a healthcare-focused venture fund, and the previous founder of the ProSyte Companies, a diversified holding entity investing in healthcare businesses and real estate.

Randy Maultsby graduated with honors from Hampton University with a Bachelor of Arts. Mr. Maultsby is currently President of Tiptree Inc. (NYSE: TIPT). Mr. Maultsby focuses on strategy and development while overseeing all the firm’s acquisition, disposition, and capital markets activity. Additionally, Mr. Maultsby sits on the boards of Fortegra Financial and Reliance First Capital. Mr. Maultsby has a seasoned career in finance and investment banking, previously holding the positions of senior vice president of Fox-Pitt, Kelton, associate of JP Morgan and analyst of Citigroup.

External Auditor Service Fees

The Audit Committee has direct communication channels with the Chief Financial Officer and the external auditors of the Corporation to discuss and review such issues as the Audit Committee may deem appropriate.

The following table presents, by category, the fees accrued by KPMG, LLP as the external auditors of, and for other services provided to, the Corporation, for the period indicated. The holders of Common Shares have approved the appointment of KPMG LLP as the new auditors of the Corporation.

| Category of Fees | Fiscal year ended December 31, 2023 (in \$000’s) | Fiscal year ended December 31, 2022 (in \$000’s) |
|-----------------------------------|---|---|
| Audit Fees ⁽¹⁾ | \$1,071 | \$1,086 |
| Audit-Related Fees ⁽²⁾ | \$30 | \$67 |
| Tax Fees ⁽³⁾ | \$286 | \$290 |

Notes:

- (1) “Audit Fees” relate to the aggregate fees billed by KPMG for the annual audit of the Corporation’s financial statements, interim reviews performed during the year and other related audit services
- (2) “Audit-Related Fees” relate to French translation services
- (3) “Tax Fees” relate to the aggregate fees billed by KPMG primarily related to Canadian income tax compliance services

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The nature of the Corporation’s business exposes it, its properties and its operating joint ventures to the risk of litigation and other claims from time to time in the ordinary course of business. The Corporation is not presently subject to any material legal proceedings nor, to its knowledge, are any material legal proceedings threatened against the Corporation.

Since the commencement of the financial year ended December 31, 2023, there have been no:

- (a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; or
- (b) settlement agreements the Corporation entered into with a court relating to securities legislation or with a securities regulatory authority.

There have been no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Form (including, without limitation, those transactions with the Funds Manager described under “General Development of the Business”), there are no material interests, direct or indirect, of the Directors or Executive Officers of the Corporation, any Shareholder that beneficially owns more than 10% of the Common Shares or any associate or affiliate of any of the foregoing persons in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the transfer agent and registrar for the Common Shares at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material agreements that are in effect as of the date hereof, other than contracts entered into in the ordinary course of business:

- (a) the Secured Revolving Facility;
- (b) the Unsecured Facility;
- (c) the Registration Rights Agreement; and
- (d) the Governance and Investor Rights Agreement.

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

KPMG LLP, Chartered Professional Accountants, located in Toronto, Ontario, are the auditors of the Corporation and are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information, including Directors’ and officers’ remuneration and indebtedness, principal holders of Shares of the Corporation and securities authorized for issuance under equity compensation plans, as applicable, are contained in the Corporation’s management information circular that will be filed in respect of the annual meeting of the Corporation currently expected to be held on June 20, 2024.

Additional financial information is provided in the Corporation’s audited consolidated financial statements and MD&A for the most recently completed financial year. A copy of such documents can be found on SEDAR at www.sedar.com.

GLOSSARY OF TERMS

In this Annual Information Form, the following terms will have the meanings set out below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

“**2022 Convertible Debentures**” means the subordinated convertible debentures issued by the Corporation on December 16, 2016, in the aggregate principal amount of approximately \$45.0 Million and initially due January 21, 2022.

“**2023 Convertible Debentures**” means the subordinated convertible debentures issued by the Corporation on August 15, 2018, in the aggregate principal amount of approximately \$50.0 Million and initially due September 30, 2023.

“**Affiliate**” has the meaning given to it in Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

“**AFFO**” has the meaning given to it under “NON-IFRS MEASURES.”

“**AL**” means assisted living.

“**Annual Information Form**” means this annual information form.

“**Audit Committee**” means the audit committee of the Board.

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, supplemented, modified, replaced or restated from time to time.

“**Board**” means the Board of directors of the Corporation.

“**CAGR**” means compound annual growth rate.

“**CCRC**” means continuing care retirement community.

“**Class A Shares**” means the Class A shares in the capital of the Corporation.

“**CMS**” means the United States Center for Medicare and Medicaid Services.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time.

“**Common Shares**” means the common shares in the capital of the Corporation.

“**Commonwealth Senior Living**” or “**Commonwealth**” means Commonwealth Senior Living LLC, a Delaware limited liability company.

“**CON**” means Certificate of Need.

“**Consolidation**” means the consolidation of outstanding Common Shares and Non-Voting Shares on the basis of one post-consolidation Common Share for every 250 pre-consolidation Common Shares and one post-consolidation Non-Voting Share for every 250 pre-consolidation Non-Voting Shares, which was effected on June 2, 2016.

“**Corporation**” means Invesque Inc.

“**Corporation Contributed Deferred Shares**” means the Deferred Shares granted to Directors further to the Corporation’s obligation to match the Elected Amount, pursuant to the Deferred Share Incentive Plan.

“**CPI**” means the Consumer Price Index.

“**Deferred Share**” means a bookkeeping entry, equivalent in value to a Common Share, credited to a named executive officer’s account in accordance with the terms and conditions of the Deferred Share Incentive Plan and, for clarity, which includes an entry in respect of Individual Contributed Deferred Shares, Corporation Contributed Deferred Shares and Discretionary Deferred Shares.

“**Deferred Share Incentive Plan**” means the deferred share incentive plan of the Corporation.

“**Directors**” means the directors of the Corporation and “**Director**” means any one of them.

“**Discretionary Deferred Shares**” means Deferred Shares granted from time to time to Participants at the discretion of the Board or the CGN Committee.

“**DOJ**” means the United States Department of Justice.

“**DRIP**” means the Corporation’s dividend reinvestment plan.

“**Elected Amount**” means the amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of the base annual retainer fees paid by the Corporation to such Director in a calendar year for service on the Board, including meeting fees and fees for acting as a Committee Chair.

“**Executive Officers**” means Scott White and Adlai Chester.

“**FAD Rules**” means the provisions in the Tax Act affecting foreign-controlled corporations that are resident in Canada and that make various forms of direct and indirect “investments” in foreign corporations that are, or after the investment and as part of a transaction or event or series of transactions or events that includes the making of the investment become, “foreign affiliates” of the Canadian-resident Corporation.

“**FAPI**” means foreign accrual property income, as defined in the Tax Act.

“**FFO**” has the meaning given to it under “NON-IFRS MEASURES.”

“**FIRPTA**” means the Foreign Investment in Real Property Act of 1980.

“**Funds**” means certain funds managed by the Funds Manager.

“**Funds Manager**” means Magnetar Financial LLC.

“**Governance and Investor Rights Agreement**” means the governance and investor rights agreement dated February 1, 2018, and entered into among the Corporation and Tiptree Operating Company LLC, as described under “GENERAL DEVELOPMENT OF THE BUSINESS – Acquisition Activity – Care Investment Trust”.

“**IFRIC21**” means IFRIC 21 – *Levies*.

“**IFRS**” means International Financial Reporting Standards issued by the International Accounting Standards Committee.

“**IL**” means independent living.

“**Independent Director**” means a Director who is independent, pursuant to NI 58-201.

“**Individual Contributed Deferred Shares**” means Deferred Shares granted to Directors further to their Elected Amount.

“**Investment Committee**” means the investment committee of the Board.

“**IRS**” means Internal Revenue Service.

“**IVQ Partnership**” means Invesque Holdings, LP.

“**IVQ U.S.**” means Invesque US Holdings, Inc.

“**JV**” means joint venture arrangement.

“**LTC**” means long-term care facility, as may also be referred to, depending on the jurisdiction, as residential complex care, supportive living private hospital, personal care home or nursing home.

“**M&A**” means mergers and acquisitions.

“**Magnetar Exchange Agreement**” means the exchange agreement dated April 21, 2016, and entered into among the Corporation, MHI Holdco and the Funds Manager, on behalf of the Funds.

“**Mainstreet**” means Mainstreet Investment Company LLC, together with its affiliates.

“**MCA Portfolio**” means three memory care communities located in Texas and Arkansas and originally operated by Memory Care America LLC. This portfolio is now managed by Chapters Living.

“**MD&A**” means the Corporation’s management discussion and analysis.

“**MHI Holdco**” means Mainstreet Health Holdings Inc.

“**NI 58-201**” means National Instrument 58-201 – *Corporate Governance Guidelines*.

“**NOI**” means net operating income.

“**Offering**” means the offering of 9,500,000 Common Shares, pursuant to the prospectus dated May 26, 2016.

“**OIG**” means the Office of Inspector General of the Department of Health and Human Services.

“**Over-Allotment Option**” means the option granted by the Corporation to the underwriters of the Offering exercisable for a period of 30 days from the date of closing of the Offering to purchase up to an additional 1,425,000 Common Shares (being equal to 15% of the Common Shares sold on closing) at \$10.00 per Common Share.

“**Participants**” means Service Providers to whom Deferred Shares have been granted under the Deferred Share Incentive Plan.

“**PIK**” means payment in kind.

“**Preferred Shares**” means the multiple series of class A convertible preferred shares issued or issuable to the Fund Manager in the capital of the Corporation.

“**Registration Rights Agreement**” means the registration rights agreement dated December 22, 2017, and entered into among the Corporation and the Funds, as described under “GENERAL DEVELOPMENT OF THE BUSINESS – 2017 Preferred Equity Private Placement.”

“**Revolver**” means the \$100 Million senior secured revolving line of credit forming part of the Facility.

“**Secured Revolving Facility**” means the secured credit facility entered into on February 24, 2017, by a wholly owned subsidiary of the Corporation, as amended, as described under “INDEBTEDNESS – Credit Facilities.”

“**SEDAR**” means System for Electronic Document Analysis and Retrieval.

“**Series 1 Preferred Shares**” means the class A, series 1 convertible preferred shares in the capital of the Corporation.

“**Series 2 Preferred Shares**” means the class A, series 2 convertible preferred shares in the capital of the Corporation.

“**Series 3 Preferred Shares**” means the class A, series 3 convertible preferred shares in the capital of the Corporation.

“**Series 4 Preferred Shares**” means the class A, series 4 convertible preferred shares in the capital of the Corporation.

“**Service Providers**” means (i) Directors, officers, managers, employees or service providers of the Corporation or a subsidiary of the Corporation; and/or (ii) employees of certain service providers who spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation.

“**Shareholders**” means the holders of Shares.

“**Shares**” means, collectively, Common Shares, Non-Voting Shares and Class A Shares (including the Preferred Shares).

“**SNF**” means skilled nursing facility.

“**SOFR**” means the Secured Overnight Financing Rate and is a broad measure of the cost of borrowing cash overnight collateralized by treasury securities.

“**Subscription Agreements**” means those subscription agreements dated December 22, 2017, and entered into among the Corporation and the Funds, as amended pursuant to the Waiver and Amendments dated February 1, 2018, as described under “GENERAL DEVELOPMENT OF THE BUSINESS – 2017 Preferred Equity Private Placement.”

“**Subscription Receipts**” means the 7,406,000 subscription receipts of the Corporation (exchangeable for Common Shares of the Corporation on a one-for-one basis) that were issued, pursuant to the final short form prospectus dated September 29, 2016.

“**Symcare**” means Symcare ML LLC.

“**Symphony**” means Symphony Post-Acute Network and its affiliates.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**TCC**” means transitional care center.

“**Tiptree**” means Tiptree Operating Company LLC.

“**Treaty**” means the Canada-United States Tax Convention (1980), as amended.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**Unsecured Facility**” means the unsecured credit facility entered into on December 20, 2018 by the Corporation, as described under “INDEBTEDNESS – Credit Facilities.”

APPENDIX A

CHARTER OF THE AUDIT COMMITTEE (the “Charter”)

1. General

A. Purpose

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Invesque Inc. (the “**Corporation**”). The members of the Committee and the Chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Corporation’s financial controls and reporting and monitoring whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

The Committee should be comprised of a minimum of three directors and a maximum of five directors.

- (1) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”).
- (2) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of their independent judgment as a member of the Committee.
- (3) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.
- (4) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements).
- (5) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by Management of the Corporation (“**Management**”) as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them

by a member of Management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the Corporation and shall meet within 90 days following the end of the fiscal year of the Corporation. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of Management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with Management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with the Corporation's Management quarterly in connection with the Corporation's interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Financial Disclosure

- (1) Review, approve and recommend for Board approval the Corporation's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related Management's Discussion & Analysis and press release.
- (2) Review, approve and recommend for Board approval the Corporation's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related Management's Discussion & Analysis and press release.
- (3) Review and approve any other press releases that contain financial information and such other financial information of the Corporation provided to the public or any governmental body as the Committee requires.
- (4) Satisfy itself that adequate procedures have been put in place by Management for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the related Management's Discussion & Analysis.

- (5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (6) Receive periodically Management reports assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures.

B. Internal Control

- (1) Review Management's process to identify and manage the significant risks associated with the activities of the Corporation.
- (2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.
- (3) Have the authority to communicate directly with the internal auditor.
- (4) Receive periodically Management reports assessing the adequacy and effectiveness of the Corporation's internal control systems.
- (5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with Management and the external auditors and assess whether recommendations made by the external auditors have been implemented by Management.

C. Relationship with the External Auditor

- (1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (2) Have the authority to communicate directly with the external auditor, arrange for the external auditor to be available to the Committee and the Board as needed and oversee the work of the external auditor.
- (3) Advise the external auditor that it is required to report to the Committee, and not to Management.
- (4) Monitor the relationship between Management and the external auditor, including reviewing any Management letters or other reports of the external auditor, discussing any material differences of opinion between Management and the external auditor and reviewing and resolving disagreements between the external auditor and Management.
- (5) If considered appropriate, establish separate systems of reporting to the Committee by each of Management and the external auditor.
- (6) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Corporation, Management or employees that might interfere with the independence of the external auditor.
- (7) Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws) to be provided by the external auditor.
- (8) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (9) Periodically consult with the external auditor out of the presence of Management about (a) any significant risks or exposures facing the Corporation, (b) internal controls and other steps that

Management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Corporation, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

- (10) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Corporation.

D. Audit Process

- (1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (2) Following completion of the annual audit and quarterly reviews, review separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (3) Review any significant disagreements among Management and the external auditor in connection with the preparation of the financial statements.
- (4) Where there are significant unsettled issues between Management and the external auditor that do not affect the audited financial statements, seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (5) Review with the external auditor and Management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (6) Review the system in place to seek to ensure that the financial statements, Management's Discussion & Analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Processes

- (1) Review the integrity of the Corporation's financial reporting processes, both internal and external, in consultation with the external auditor.
- (2) Periodically consider the need for an internal audit function, if not present.
- (3) Review all material balance sheet issues, material contingent obligations and material related party transactions.
- (4) Review with Management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the external auditor's preferred treatment and any other material communications with Management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. General

- (1) Inform the Board of matters that may significantly impact the financial condition or affairs of the business.
- (2) Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
- (3) Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
- (4) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (5) Retain, at its discretion, independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.
- (6) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives.
- (7) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Complaint Procedures

- (1) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair of the Committee will have the power and authority to oversee the treatment of such complaints.
- (2) Complaints are to be directed to the attention of the Chair of the Committee.
- (3) The Committee should endeavor to keep the identity of the complainant confidential.
- (4) The Chair of the Committee will have the power and authority to lead the review and investigation of a complaint. The Committee should retain a record of all complaints received. Corrective action may be taken when and as warranted.