Condensed Consolidated Interim Financial Statements
(Expressed in U.S. dollars)

INVESQUE INC.

Three and Nine Month Periods ended September 30, 2024 and 2023
(Unaudited)

INVESQUE INC.

Condensed Consolidated Interim Statements of Financial Position (Unaudited)
(Expressed in thousands of U.S. dollars)
As at

		September 30, 2024		December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	$	13,858	$	10,745
Tenant and other receivables (note 2)		9,351		7,860
Property tax receivables		2,512		6,382
Derivative instruments (note 10)		1,460		1,023
Loans receivable (note 3)		4,462		965
Assets held for sale (notes 14 and 15)		381,989		10,337
Other (note 4)		8,287		9,588
		421,919		46,900
Non-current assets:				
Loans receivable (note 3)		5,746		11,887
Derivative instruments (note 10)		—		3,004
Investments in joint ventures (note 7)		42,007		45,023
Investment properties (note 5)		210,004		369,932
Property, plant and equipment, net (notes 6 and 14)		28,919		349,323
Other non-current assets (note 4)		2,505		2,214
		289,181		781,383
Total assets	$	711,100	$	828,283
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	13,877	$	17,296
Accrued real estate taxes		4,011		7,086
Credit facilities (note 8)		227,182		216,015
Mortgages payable (notes 9 and 14)		75,163		63,830
Convertible debentures (note 11)		23,202		—
Other current liabilities (note 12)		4,778		3,712
Liabilities related to assets held for sale (notes 14 and 15)		97,997		457
		446,210		308,396
Non-current liabilities:				
Credit facilities (note 8)		—		120,000
Mortgages payable (note 9)		126,098		152,789
Derivative instruments (note 10)		508		927
Convertible debentures (note 11)		19,718		35,611
Commonwealth preferred unit liability (note 14)		—		58,348
Deferred tax liability (note 24)		—		1,605
Other non-current liabilities (note 12)		3,139		3,504
Non-controlling interest liability		555		517
		150,018		373,301
Total liabilities		596,228		681,697
Shareholders' equity:				
Common share capital (note 16)		518,375		518,370
Preferred share capital (note 16)		85,389		85,389
Contributed surplus		400		400
Equity component of convertible instruments		9,826		9,826
Exchangeable units		867		2,049
Cumulative deficit		(498,898)		(469,317)
Accumulated other comprehensive loss		(1,087)		(131)
Total shareholders' equity		114,872		146,586
Total liabilities and shareholders' equity	$	711,100	$	828,283

Subsequent events (note 28)

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue:				
Tenant rental revenue (note 18)	$ 3,120	$ 8,482	$ 17,716	$ 35,522
Resident rental and related revenue (note 18)	36,945	36,312	104,799	105,383
Lease revenue from joint venture arrangements (note 7)	978	883	2,783	2,641
Other revenue	1,338	1,064	3,824	2,993
	42,381	46,741	129,122	146,539
Other income	—	—	1,500	1,745
Interest income from loans receivable	200	587	603	1,647
Expenses (income) and fair value adjustments:				
Direct property operating expenses (note 19)	26,504	27,542	75,719	79,644
Depreciation and amortization expense (note 6)	2,916	3,854	9,935	11,332
Net finance costs from operations (note 20)	12,878	16,019	38,474	40,055
Real estate property tax expense (recovery)	(2,074)	50	4,038	10,136
General and administrative expenses (note 21)	3,824	4,146	16,899	15,065
Transaction costs, net	20	673	338	1,328
Allowance for expected credit losses (note 20)	429	465	884	14,635
Change in non-controlling interest liability	214	95	526	231
Change in fair value of investment properties - IFRIC 21	1,999	1,423	(843)	(2,264)
Change in fair value of investment properties (note 5)	261	140	6,596	53,474
Impairment of property, plant and equipment (note 6)	280	3,636	2,110	3,636
Change in fair value of financial instruments (note 20)	2,228	(11,962)	3,386	(18,500)
(Gain) loss on property, plant and equipment transactions	(209)	—	(235)	(12)
	49,270	46,081	157,827	208,760
Share of income (loss) from joint ventures (note 7)	(605)	(1,454)	(3,259)	394
Loss before income taxes	(7,294)	(207)	(29,861)	(58,435)
Income tax recovery:				
Deferred income tax recovery (note 24)	—	958	1,605	1,917
Net income (loss) from continuing operations	$ (7,294)	$ 751	$ (28,256)	$ (56,518)
Net income (loss) from discontinued operations, net of tax (note 15)	(229)	(159)	(1,325)	(4,414)
Net income (loss)	(7,523)	592	(29,581)	(60,932)
Other comprehensive income (loss):				
Items to be reclassified to net income (loss) in subsequent periods				
Unrealized gain (loss) on translation of foreign operations	518	(1,069)	(956)	(87)
	518	(1,069)	(956)	(87)
Total comprehensive loss	$ (7,005)	$ (477)	$ (30,537)	$ (61,019)
Loss from continuing operations per share (note 17):				
Basic and diluted	$ (0.13)	$ 0.01	$ (0.50)	$ (1.00)
Loss per share (note 17):				
Basic and diluted	$ (0.13)	$ 0.01	$ (0.52)	$ (1.07)

See subsequent events (note 28).
See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in thousands of U.S. dollars)
Six months ended September 30, 2024 and 2023

	Common share capital	Equity settled deferred shares	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2024	$ 518,370	$ —	$ 85,389	$ 400	$ 9,826	$ 2,049	$ (469,317)	$ (131)	$ 146,586
Net loss	—	—	—	—	—	—	(29,581)	—	(29,581)
Other comprehensive income (loss)	—	—	—	—	—	—	—	(956)	(956)
Cancellation of exchangeable units (note 3)	—	—	—	—	—	(1,182)	—	—	(1,182)
Common shares issued on settlement of awards granted under the deferred share incentive plan (note 16)	5	—	—	—	—	—	—	—	5
Balance, September 30, 2024	$ 518,375	$ —	$ 85,389	$ 400	$ 9,826	$ 867	$ (498,898)	$ (1,087)	$ 114,872

	Common share capital	Equity settled deferred shares	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2023	$ 508,961	$ 862	$ 85,389	$ 400	$ 5,243	$ 2,049	$ (370,077)	$ (1,180)	$ 231,647
Net loss	—	—	—	—	—	—	(60,932)	—	(60,932)
Other comprehensive income (loss)	—	—	—	—	—	—	—	(87)	(87)
Common shares purchased and cancelled under NCIB	(160)	—	—	—	—	—	—	—	(160)
Common shares issued on settlement of awards granted under the deferred share incentive plan	117	—	—	—	—	—	—	—	117
Amortization of equity settled deferred shares	—	197	—	—	—	—	—	—	197
Obligation for purchase of units under automatic share purchase plan	3,557	—	—	—	—	—	—	—	3,557
Common shares issued for equity settled deferred shares	1,059	(1,059)	—	—	—	—	—	—	—
Equity component of convertible debentures	4,356	—	—	—	4,583	—	—	—	8,939
Balance, September 30, 2023	$ 517,890	$ —	$ 85,389	$ 400	$ 9,826	$ 2,049	$ (431,009)	$ (1,267)	$ 183,278

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
(Expressed in thousands of U.S. dollars)
Six Months ended September 30, 2024 and 2023

		Nine months ended September 30, 2024		Nine months ended September 30, 2023
Cash flows from (used in) operating activities:				
Net loss	$	(29,581)	$	(60,932)
Items not involving cash and other items:				
Fair value adjustment of investment properties (notes 5 and 15)		6,895		56,315
Fair value adjustment of financial instruments (note 10)		3,386		(18,500)
Impairment of property, plant and equipment (note 6)		2,110		3,636
Transaction costs arising from dispositions		390		1,535
Depreciation and amortization expense (note 6)		9,935		11,332
Allowance for expected credit losses (note 20)		884		14,635
Straight-line rent		(1,058)		(2,358)
Amortization of tenant inducements		201		196
Net finance costs from operations (notes 15 and 20)		39,099		40,772
Gain on loan exchange and amendment		717		—
Interest income on loans receivable		(603)		(1,647)
Change in non-controlling interest liability		526		231
Gain on sale of property, plant and equipment		(235)		(12)
Share of loss (income) from joint ventures (note 7)		3,259		(394)
Deferred income tax recovery (note 24)		(1,605)		(1,917)
Interest paid		(27,953)		(28,840)
Interest income received		156		275
Debt extinguishment costs paid		(306)		(212)
Change in non-cash operating working capital:				
Tenant and other receivables		87		(7,274)
Accounts payable and accrued liabilities		(1,086)		1,463
Deferred revenue		(933)		322
Other assets		3,154		(771)
Other liabilities		1,404		225
Accrued real estate taxes		(2,964)		144
Cash provided by operating activities	$	5,879	$	8,224
Cash flows provided by (used in) financing activities:				
Proceeds from credit facilities	$	—	$	2,660
Payments on credit facilities (note 13)		(108,547)		(181,271)
Debt issuance costs paid		(1,362)		(2,056)
Proceeds from mortgages (note 13)		53,904		97,546
Payments of mortgages (note 13)		(34,832)		(41,446)
Repayment of lease liabilities		(332)		(322)
Payment for interest rate swap contract		(2,492)		(4,747)
Payment for settlement of interest rate swap contract		(185)		—
Proceeds from settlement of interest rate swap		—		8,001
Payment for repurchase of common shares (note 16)		—		(160)
Payment for repurchase of convertible debentures (note 13)		—		(100)
Cash used in financing activities	$	(93,846)	$	(121,895)
Cash flows from (used in) investing activities:				
Additions to investment properties	$	(923)	$	(7,636)
Proceeds from dispositions of investment properties, net (note 5)		85,962		92,300
Additions to property, plant and equipment		(3,597)		(4,707)
Proceeds from dispositions of property, plant and equipment		—		23
Proceeds from dispositions of assets held for sale, net		6,258		23,915
Distributions from joint ventures (note 7)		1,534		2,968
Contributions to joint ventures (note 7)		(1,795)		(2,589)
Distributions to non-controlling interest partners		(771)		(372)
Contributions from non-controlling interest partners		67		336
Issuance of loans receivable		(693)		(7,157)
Receipts from loans receivable		5,038		8,783
Cash provided by investing activities	$	91,080	$	105,864
Increase (decrease) in cash and cash equivalents		3,113		(7,807)
Cash and cash equivalents, beginning of period		10,745		27,579
Cash and cash equivalents, end of period	$	13,858	$	19,772

See accompanying notes to these condensed consolidated interim financial statements.

Invesque Inc. (the "Company") was incorporated on May 31, 2007 under the Business Corporations Act (Ontario). The Company's registered office is 2500 - 700 W Georgia Street, Vancouver, British Columbia V7Y 1B3.

The Company currently owns a portfolio of North American income generating properties across the health care spectrum. The Company's investment property portfolio includes investments in independent living, assisted living, memory care, skilled nursing and medical office properties, which are operated primarily under long-term leases or joint venture arrangements with operating partners. The Company's consolidated portfolio also includes investments in owner occupied seniors housing properties in which Invesque Inc. owns the real estate and provides management services exclusively through its majority-owned subsidiary management company, Commonwealth Senior Living LLC ("Commonwealth").

At September 30, 2024, the Company owned interests in a portfolio of 60 health care and senior living properties of the type noted above comprised of 17 consolidated investment properties, 3 consolidated owner-occupied properties, partial interests in 8 properties held through joint arrangements, 28 consolidated owner-occupied properties presented as assets held for sale and 4 investment properties presented as assets held for sale.

1. Basis of preparation:

(a) Liquidity Assessment

Liquidity risk is the risk that an entity is unable to fund its assets or meet its financial obligations as they come due. Liquidity risk is managed in part through cash flow forecasting by the Company. While there are uncertainties in assessing future liquidity requirements under normal operating conditions, interest rates and cost inflation have introduced increased uncertainty. The Company monitors forecasts of liquidity requirements to ensure it has the ability to meet operational needs by maintaining sufficient availability of the combination of cash and debt capacity, and to ensure the Company will meet its financial covenants, which include minimum cash requirements, related to various debt agreements. Such forecasting involves a significant degree of judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, successful closing of asset dispositions in the timeframe contemplated by management, and covenant compliance required under the terms of various debt agreements. There is a risk that such liquidity forecasts may not be achieved and that currently available debt financing that matures in the next 12 months may no longer be available to the Company at terms and conditions that are forecasted, or at all.

The Company believes, subject to the completion of the strategic sales of assets and refinancings, that it will have sufficient available liquidity to meet its minimum obligations as they come due and to comply with required financial covenants for a period of at least 12 months from September 30, 2024. Further, the Company has assessed that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. In making this significant judgment, the Company has prepared a cash flow forecast and debt covenant projections with the most significant assumptions in the preparation of such forecast being the ability of its tenants to meet projected rental obligations to the Company, the ability of the Company to complete strategic sales of assets and the continued availability of financing. Management has also identified all near-term debt maturities and ensured adequate measure are underway to address their repayment or extension.

Corporate Credit Facility Requirements

On March 5, 2024, the Company executed a consent and first amendment to the amended credit agreement ("first amendment") 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. As of September 30, 2024, the Company has satisfied the consent conditions outlined in the first amendment. The term commitment outstanding has been reduced to approximately $37,400, the Company has completed the sale of required assets, and borrowing base leverage is below the required 70% threshold. In addition, the Company qualifies for two six-month extension options made available by the lender.

On August 28, 2024, the Company executed a consent and second amendment to the amended and restated credit agreement ("second amendment"), in which the parties agreed to the completion of an asset sale transaction in order to achieve further paydowns on the credit facility in exchange for the following material amendments:

i. The Company has the right and option to extend the term commitment and revolving credit facility maturity date for two six-month periods, first to September 30, 2025, then to March 31, 2026.
ii. A temporary reduction in the minimum liquidity requirements from $10,000 to $9,000.

As of September 30, 2024, the Company qualifies for the two six-month extension options made available by the lender.

Commonwealth Credit Facility Requirements

The Company successfully extended the maturity of the Commonwealth Facility by one year to August 1, 2025 (the "First Extended Maturity Date"). The Credit Agreement also provides for a second one-year extended maturity date, subject to meeting certain conditions related to financial covenants such as a minimum debt service coverage ratio and a minimum project yield. As of September 30, 2024, the Company believes the conditions for a further extension will be met.

Convertible Debenture Requirements

On September 17, 2024, the Company announced its intention to seek approval of holders of the 2016 and 2018 Convertible Debentures to amend the terms of the debentures. The proposed amendments, if approved by holders, will:

1. Add a covenant that the outstanding principal amount of the 2016 Convertible Debentures, plus interest accrued thereon, will be exchanged on a date specified by the Company, which date shall be on or before January 31, 2025, for:
    a. a pro rata interest of new unsecured subordinated debentures that will have an aggregate principal amount of $9,938; and
    b. 52,306,874 common shares of the Company having an aggregate value equal to $8,369 based on a price per common share of $0.16; and
2. Add a covenant that the outstanding principal amount of the 2018 Convertible Debentures, plus interest accrued thereon, will be exchanged on a date specified by the Company, which date shall be on or before January 31, 2025, for:
    a. a pro rata interest of amended debentures that will have an aggregate principal amount of $17,362; and
    b. 88,210,068 common shares of the Company having an aggregate value equal to $14,114 based on a price per common share of $0.16; and
3. Amend the definition of “Change of Control” to provide that the preferred share exchange shall not constitute a “Change of Control”.

The amended debentures will not be convertible for common shares of the Company, will incur interest of 9.75% per annum and will mature on the third anniversary of their issuance date.

Working Capital Requirements and Near-Term Debt Maturities

The Company expects to meet its working capital requirements with respect to accounts payable and accrued liabilities through cash and cash equivalents on hand and operating cash flows. As at September 30, 2024, current liabilities totaled $446,210, and current assets totaled $421,919, resulting in a working capital deficit of $24,291 (December 31, 2023 - $308,396, $46,900 and $261,496, respectively). Excluding the 2016 convertible debentures due January 31, 2025, secured debt (such as credit facilities and mortgages payable), and assets held for sale and liabilities related to assets held for sale, current liabilities totaled $27,228, and current assets totaled $37,673, resulting in a working capital surplus of $10,445.

The Company expects to be able to meet all of its obligations as they become due utilizing some or all of the following sources of liquidity: (i) cash on hand in excess of lender requirements (ii) cash flows generated from operations, (iii) property-specific mortgages and refinancings and (iv) strategic sale of assets. The Company also has the ability to raise additional liquidity through issuance of common shares, subject to market conditions, and alternative financing sources. With respect to near-term debt maturities, including mortgages and credit facilities, the Company believes it will be successful in either refinancing or settling each of the near-term debt instruments through sales of the underlying assets securing such debts. However, any refinancing transaction involves inherent risk of the current market interest rate environment.

(b) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). All of the Company's subsidiaries and joint ventures adhere to the same accounting policies. The condensed consolidated interim financial statements do not include all of the information required for a set of annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023, which were issued on March 15, 2024.

The Company applied the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2023, with the exception of the amendments adopted in 2024 outlined in Note 1(c).

Certain comparative information for the 2023 fiscal year has been reclassified to conform with the financial presentation used in the current year. Within the notes to the condensed consolidated financial statements, specifically mortgages payable and credit facilities, the amount of fixed versus variable debt has been reclassified in order to reflect the contractual terms of the separate underlying debt instrument, ignoring the impact of interest rate swaps, in accordance with IAS 32: Financial Instruments: Presentation.

These condensed consolidated financial statements were approved by the Board of Directors of the Company on November 6, 2024, and authorized for issuance on November 7, 2024.

(c) Accounting standards effective in the year:

The Company adopted *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1*, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for classification of liabilities that can be settled in a Company's own shares (i.e. convertible debt). Previously, the Company ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the revised policy, when a liability includes a counterparty conversion option that may be settled by a transfer of the Company's own shares, the Company takes into account the conversion option in classifying the host liability as current or non-current, except when it is classified as an equity component or a compound instrument.

The adoption of the amendments did not have any material impact on the Company's consolidated financial statements. With respect to the Company's convertible debentures, the conversion option is recognized as an equity component of the convertible debentures under IAS 32, and thus this amendment would not affect the current or non-current classification of the convertible debenture liability, and the classification is determined based on the maturity of the liability component itself.

(d) Discontinued operations:

The results of operations of the Company's medical office building segment are classified as discontinued operations in these financial statements (note 15). A discontinued operation is a component of the Company's business that either has been disposed of, or is classified as held for sale, and either 1) represents a separate major line of business or geographic area of operations, 2) is part of a coordinated single plan to dispose of a separate major line of business or geographic area of operations or 3) is a subsidiary acquired exclusively with a view to resale. Based on the Company's assessment, the segment has been classified as a discontinued operation. As of September 30, 2024, all except one property has been sold and it is expected to be disposed of in the next six to nine months.

The medical office building segment has been classified as discontinued operations for a period greater than one year from the date of classification, however the Company remains committed to selling the remaining building. Due to circumstances outside of the Company's control, such as the inability to obtain financing and the economic environment within the medical office building industry, no transaction has closed on the remaining building to date. The Company is committed to sell the asset at a reasonable fair market value, which is reflected in the change in fair value of investment properties in the period.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

2. Tenant and other receivables:

Tenant and other receivables and corresponding allowance balances are as follows:

	September 30, 2024	December 31, 2023
Tenant and other receivables, gross	$ 14,961	$ 12,012
Allowance for uncollectible receivables	(5,610)	(4,152)
Tenant and other receivables, net	$ 9,351	$ 7,860

The movement in the allowance in respect of tenant and other receivables during the nine months ended September 30, 2024 was as follows:

Balance, December 31, 2023	$ 4,152
Allowance	1,839
Collections — recoveries	(381)
Balance September 30, 2024	$ 5,610

The Company determines estimated allowances on a tenant-by-tenant basis and considers tenant payment history, past default experiences, actual and expected insolvency filings, tenant abandonment and certain tenant disputes. The change in allowance for the nine months ended September 30, 2024 is primarily due to allowances as a result of unpaid rent from three assisted living facilities in New York, as the Company exhausted all options for collection and is pursuing a sale transaction. The change in allowance is also due to the addition of new tenant balances arising from considerations noted above and partially offset by individual tenant recoveries at owner-occupied properties.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

3. Loans receivable:

Loans receivable issued and outstanding as at September 30, 2024 and December 31, 2023 are detailed in the table below:

Debtor	Loan Type	September 30, 2024	December 31, 2023	Issued Date	Maturity Date	Current Annual Interest Rate	Payment -in-kind Annual Interest Rate
Autumnwood Lifestyles Inc.	Revolving credit facility	$ —	$ 585	November 1, 2016	December 31, 2024	8.9% (1)	— %
Ellipsis Real Estate Partners	Loan receivable	—	1,035	September 14, 2018	September 14, 2028	7.5 %	— %
Hillcrest Millard, LLC	Loan receivable	—	361	January 1, 2019	January 1, 2028	5.0 %	— %
Hillcrest Firethorn, LLC	Loan receivable	—	339	January 1, 2019	November 1, 2027	5.0 %	— %
Winyan Investment Ltd (Brantford)	Loan receivable	—	3,437	November 28, 2022	November 28, 2025	4.0 %	— %
Blue Bell Senior Holdings, LLC	Loan receivable	574	601	February 21, 2020	March 1, 2025 (2)	5.9 %	— %
PSL Care GP, LLC	Loan receivable	—	450	May 6, 2020	(3)	3.5 %	— %
Symcare ML, LLC	Loan receivable	—	7,955	June 1, 2021	December 31, 2035	— %	1.0 %
Symcare ML, LLC	Loan receivable	3,648	3,648	June 1, 2023	February 29, 2024	— %	10.0 %
Memory Care America, LLC	Loan receivable	3,904	3,016	March 31, 2023	July 31, 2025	10.0 %	— %
4 Pack Master Tenant, LLC	Loan receivable	1,023	715	June 1, 2023	May 31, 2038	— %	10.0 %
Constant Care Management Company, LLC	Loan receivable	607	—	January 31, 2024	June 30, 2026	10.0 %	— %
Chapters Little Rock, LLC, Chapters San Antonio, LLC, and Chapters New Braunfels, LLC	Loan receivable	367	—	March 15, 2024	December 31, 2024	10.0 %	— %
CCG Quartette Falls, LLC	Loan receivable	1,562	—	September 23 2024	September 22, 2027	8.0 %	— %
Accrued current and non-current interest		486	425				
Allowance for expected credit losses on loans receivable		(4,537)	(12,199)				
Carrying value of loans recorded at amortized cost		$ 7,634	$ 10,368				
Javelina Ventures, LLC	Loan receivable - FVTPL	2,574	2,484	December 31, 2018	(4)	5.0 %	— %
Carrying value of loans receivable		$ 10,208	$ 12,852				
Less current portion		4,462	965				
Non-current portion		$ 5,746	$ 11,887				

(1) This loan charged interest rates of 8.6% and 8.9% on the outstanding balance as of January 1, 2023 and January 1, 2024, respectively. This loan was paid in full in the second quarter of 2024.

(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. 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.

$1,630 of the loans outstanding and $15 of the accrued current and non-current interest as at September 30, 2024 included in the table above are due from current third party tenant operators ($715 and $6, respectively as at December 31, 2023). Of these amounts, $16 has been reserved as uncollectible since issuance of these loans and included as part of the allowance for the loan losses ($7 - December 31, 2023).

Loans receivable and associated allowance for losses on loans receivable accounted for at amortized cost as at September 30, 2024 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Loans receivable, net of loan fees	$ 3,793	$ 374	$ 8,004	$ 12,171
Allowance for losses on loans receivable	(38)	(73)	(4,426)	(4,537)
Loans receivable, net of allowances	$ 3,755	$ 301	$ 3,578	$ 7,634

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

The changes in the gross loans receivable balance during the nine months ended September 30, 2024 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total loans receivable as at December 31, 2023	$ 7,770	$ 6,842	$ 7,955	$ 22,567
Loans receivable				
Transfer to/(from)				
Stage 1	(238)	—	—	(238)
Stage 2	—	(6,604)	—	(6,604)
Stage 3	—	—	6,842	6,842
	$ 7,532	$ 238	$ 14,797	$ 22,567
Issuances	3,379	141	1,162	4,682
Repayments	(5,575)	(5)	—	(5,580)
PIK interest	80	—	—	80
Currency translation	(65)	—	—	(65)
Amortization of mark-to-market adjustment	395	—	—	395
Non-cash settlement	(1,228)	—	—	(1,228)
Write off of loans receivable	(725)	—	(7,955)	(8,680)
Total loans receivable as at September 30, 2024	$ 3,793	$ 374	$ 8,004	$ 12,171

The changes in the allowance for credit losses during the nine months ended September 30, 2024 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total allowance for credit losses as at December 31, 2023	$ 133	$ 4,111	$ 7,955	$ 12,199
Allowance for credit losses				
Remeasurement	16	250	136	402
Modification	629	—	—	629
Transfer to/(from)				
Stage 1	(2)	—	—	(2)
Stage 2	—	(4,288)	—	(4,288)
Stage 3	—	—	4,290	4,290
	$ 776	$ 73	$ 12,381	$ 13,230
Write off of loans receivable and allowances	(728)	—	(7,955)	(8,683)
Non-cash settlement	(10)	—	—	(10)
Total allowance for credit losses as at September 30, 2024	$ 38	$ 73	$ 4,426	$ 4,537

For the three and nine months ended September 30, 2024, a loss of $517 and $1,031, respectively (three and nine months ended September 30, 2023 - $465 and $3,979, respectively) were 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.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

In March 2024, the Company and Ellipsis entered into an arrangement whereby both parties agreed that the promissory note issued by the Company to Ellipsis on September 14, 2018, with an unpaid principal and interest balance at the date of transaction of $1,228, would be satisfied in full and cancelled in exchange for:

a. Ellipsis assigning its 20% profit-only interest in the underlying operations of four memory care facilities to the Company, who is already the owner of the properties, and
b. Ellipsis assigning its 189,194 Class B Units (i.e. Exchangeable Units) back to the Company with a carrying amount of $1,182.

The profit-only interest is structured in a manner whereby the Company is entitled to its share of net profits, but only its share of net losses until the undistributed profits balance has been reduced to zero, effectively eliminating its exposure to overall net losses in this investment. The Company has recognized the 20% profit-only interest as a financial asset in accordance with IFRS 9, measured at FVTPL. On the date of the transaction, the net present value of future cash flows from this profit-only interest was estimated to be $700. As a result of this transaction, a gain of $685 has been recorded within net finance costs from operations in the statement of loss and comprehensive loss for the nine months ended September 30, 2024.

4. Other assets:

		September 30, 2024		December 31, 2023
Prepaid expenses	$	2,351	$	2,667
Security deposits and costs related to pending transactions		751		52
Escrow deposits held by lenders		3,648		5,709
Right-of-use assets		1,442		1,710
Bond assets		363		504
Profit participation investment		700		—
Other		1,537		1,160
	$	10,792	$	11,802
Current	$	8,287	$	9,588
Non-current		2,505		2,214
	$	10,792	$	11,802

Escrow deposits held by lenders include amounts held for use in payment and settlement of real estate taxes, property insurance and replacement reserves. There were no changes in the methods and assumptions used in estimating the fair values since year-end.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

5. Investment properties:

(a) Investment properties:

	Number of Properties		Amount
Balance, December 31, 2023	30	$	369,932
Capital expenditures			504
Increase attributable to straight-line rents			1,058
Fair value adjustment			(6,596)
Amortization of tenant inducements			(182)
Sale of income properties	(7)		(88,499)
Transferred to assets held for sale (note 14)	(3)		(35,900)
Transferred to property, plant and equipment (note 6)	(3)		(28,583)
Foreign currency translation			(1,730)
Balance, September 30, 2024	17	$	210,004
Property tax liability under IFRIC 21			(843)
Fair value adjustment to investment properties - IFRIC 21			843
		$	210,004

At September 30, 2024, the Company used an internal valuation process to value its investment properties. Third party appraisers are engaged to prepare valuations on a portion of the portfolio annually such that one third of the portfolio is valued externally each year, and every property in the portfolio is valued externally at least once every five years. Management considers the external valuations for a cross-section of investment properties that represent different geographical locations across the Company's portfolio and updates, as deemed necessary, the Company's internal valuation models to reflect current market data.

Acquired investment properties are initially measured at cost, including directly attributable acquisition costs, when the transactions are deemed to be asset acquisitions. Subsequent to initial recognition, investment properties are measured at fair value, determined based on available market evidence. The Company uses alternative valuation methods such as the direct capitalization income approach or the discounted cash flow approach (Level 3 inputs). The estimated fair value of investment properties reflects rental income from current leases and assumptions about rental income from future leases in light of current market conditions. When a loan is arranged with a tenant at a below market rate, the estimated fair value of the discount is recognized as a tenant inducement at the time the loan commitment is made.

Capital expenditures include costs related to expansion projects ($504 total for the nine months ended September 30, 2024) at four properties in Canada that are jointly owned and proportionately consolidated in these financial statements.

The Company continues to review market overall capitalization rates, terminal capitalization rates and discount rates as well as its stabilized future cash flows and future cash flows over the investment holding period, in light of the present interest rate and general economic environments. The carrying value for the Company’s investment properties reflects its best estimate for the highest and best use as at September 30, 2024.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

The following table summarizes the significant unobservable inputs in determining fair value:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Direct capitalization income approach:	
Overall capitalization rates ("OCR")	There is an inverse relationship between the overall capitalization rates and the fair value; in other words, the higher the overall capitalization rate, the lower the estimated fair value.
Stabilized future cash flows	There is a direct relationship between the stabilized future cash flows and the fair value; in other words, the higher the stabilized future cash flows, the higher the estimated fair value.
Discounted cash flow approach:	
Terminal capitalization rates ("TCR")	There is an inverse relationship between the terminal capitalization rates and the fair value; in other words, the higher the terminal capitalization rate, the lower the estimated fair value.
Discount rates ("IRR")	There is an inverse relationship between the discount rates and the fair value; in other words, the higher the discount rate, the lower the estimated fair value.
Future cash flows over the holding period	There is a direct relationship between the future cash flows over the holding period and the fair value; in other words, the higher the future cash flows over the holding period, the higher the estimated fair value.

A summary of the significant unobservable inputs and ranges for each approach used as at September 30, 2024 and December 31, 2023 are set out in the following table:

Three and nine months ended September 30, 2024

Approach	Fair Value	Input	Min	Max	Weighted Average
Direct capitalization income	$ 101,544	OCR	8.00 %	8.00 %	8.00 %
Discounted cash flow		TCR	6.50 %	6.50 %	6.50 %
	84,946	IRR	8.00 %	8.00 %	8.00 %
Other (purchase option)	23,514	N/A	N/A	N/A	N/A
Total	$ 210,004				

Year ended December 31, 2023

Approach	Fair Value	Input	Min	Max	Weighted Average
Direct capitalization income	$ 94,844	OCR	7.70 %	7.95 %	7.92 %
Discounted cash flow	168,553	TCR	6.50 %	10.00 %	7.92 %
		IRR	8.00 %	11.50 %	9.44 %
Other (anticipated sale price)	106,535	N/A	N/A	N/A	N/A
Total	$ 369,932				

The estimated fair value of investment properties valued using the direct capitalization income approach is most sensitive to changes in overall capitalization rates and stabilized future cash flows. Changes in the overall capitalization rates and stabilized future cash flows would result in the following changes in the fair value of the Company's investment properties as of September 30, 2024, valued using this approach:

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

		Change in stabilized future cash flows		
		(1.00)%	— %	1.00 %
Change in overall capitalization rate ("OCR")	(0.25)%	$ 2,227	$ 3,275	$ 4,323
	— %	$ (1,015)	$ —	$ 1,015
	0.25 %	$ (4,061)	$ (3,077)	$ (2,092)

The estimated fair value of investment properties valued using the discounted cash flow approach is most sensitive to changes in terminal capitalization rates and discount rates. Changes in the terminal capitalization rates and discount rates would result in the following changes in the fair value of the Company's investment properties as of September 30, 2024, valued using this approach:

		Change in discount rate ("IRR")		
		(0.25)%	— %	0.25 %
Change in terminal capitalization rate ("TCR")	(0.25)%	$ 3,478	$ 2,555	$ 1,645
	— %	$ 895	$ —	$ (879)
	0.25 %	$ (1,497)	$ (2,362)	$ (3,216)

b) Asset dispositions - nine months ended September 30, 2024

	Pennsylvania	Texas (2) & Missouri (1)	Wisconsin	Illinois
Properties sold:	2	3	1	1
Net assets disposed:				
Investment properties	$ 11,435	$ 55,500	$ 5,060	$ 16,504
	$ 11,435	$ 55,500	$ 5,060	$ 16,504
Consideration received/funded:				
Cash	$ 11,380	$ 24,341	$ 6,111	$ 13,139
Mortgage settlement	—	30,470	—	—
Mortgage prepayment fees	—	305	—	—
Seller financing	—	—	—	1,562
Real estate taxes	—	—	—	1,109
Closing costs	55	182	18	14
Working capital	—	202	9	229
Credit towards future sales	—	—	(1,078)	451
	$ 11,435	$ 55,500	$ 5,060	$ 16,504

On February 29, 2024 the Company sold two skilled nursing facilities in Pennsylvania for a total sale price of $11,435 and $1,500 in lease termination fees. Sale proceeds and lease termination fees in excess of closing costs were used to pay down a portion of the corporate credit facility.

On March 5, 2024, the Company sold two skilled nursing facilities in Texas and one in Missouri for a total sale price of $55,500. Sale proceeds in excess of closing costs were used to settle the mortgage affiliated with two of the properties and to pay down a portion of the corporate credit facility.

On June 24, 2024, the Company sold a skilled nursing facility in Wisconsin for a sale price of $5,060. An additional $1,078 was paid and applied as a non-refundable deposit towards future sales of skilled nursing facilities to the same buyer. Sale proceeds in excess of closing costs were used to pay down a portion of the corporate credit facility.

On August 5, 2024, the Company acquired the operations of three seniors housing communities previously subject to triple-net leases with the Company. As of the acquisition date, the buildings are now subject to the Company's property, plant and equipment accounting policies and are no longer included within investment properties on the condensed consolidated interim statements of financial position.

On September 23, 2024, the Company sold a skilled nursing facility in Chicago, Illinois for a sale price of $16,504. Sale proceeds in excess of closing costs and cash proceeds were used to pay down a portion of the corporate credit facility.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

6. Property, plant and equipment, net:

(a) Property, plant and equipment, net:

Property, plant and equipment consists of the following as at September 30, 2024:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Total
Cost					
Balance, December 31, 2023	$ 23,029	$ 420,119	$ 15,531	$ 421	$ 459,100
Additions	—	2,110	1,512	—	3,622
Assets transferred from investment property (note 5)	4,750	22,380	1,453	—	28,583
Transfers	—	63	—	(63)	—
Assets acquired in acquisition of operations (note 5)	—	155	57	—	212
Assets transferred to held for sale (note 14)	(23,144)	(365,466)	(15,920)	(358)	(404,888)
Balance, September 30, 2024	$ 4,635	$ 79,361	$ 2,633	$ —	$ 86,629
Accumulated depreciation and impairment losses					
Balance, December 31, 2023	$ —	$ 104,652	$ 5,125	$ —	$ 109,777
Depreciation	—	8,270	1,665	—	9,935
Impairment loss	—	2,110	—	—	2,110
Assets transferred to held for sale (note 14)	—	(57,401)	(6,711)	—	(64,112)
Balance, September 30, 2024	$ —	$ 57,631	$ 79	$ —	$ 57,710
Property, plant and equipment, net balance, December 31, 2023	$ 23,029	$ 315,467	$ 10,406	$ 421	$ 349,323
Property, plant and equipment, net balance, September 30, 2024	$ 4,635	$ 21,730	$ 2,554	$ —	$ 28,919

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

(b) Dispositions of assets held for sale - nine months ended September 30, 2024

	South Carolina
Properties sold:	1
Net assets disposed:	
Property, plant and equipment sales proceeds	$ 3,975
	$ 3,975
Consideration received/funded:	
Cash	3,600
Transaction costs	263
Working capital	112
	$ 3,975

On January 31, 2024, the Company sold a property in Summerville, South Carolina for a sale price of $3,975. Sale proceeds in excess of closing costs were received and held by the Company. The property was classified as held for sale as of December 31, 2023.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

7. Joint arrangements:

As at September 30, 2024, the Company's joint arrangements are as follows:

Joint arrangement	Number of properties	Location	Company ownership	Investment
Invesque-Autumnwood Landlord	4	Canada	29 %	Joint operation (1)(2)
Invesque-Autumnwood Operator	—	Canada	29 %	Joint venture (2)(3)
Heritage JV	3	United States	80 %	Joint venture (4)
Heritage Newtown	1	United States	80 %	Joint venture (4)
Heritage Harleysville	1	United States	90 %	Joint venture (4)
Heritage Glassboro	1	United States	90 %	Joint venture (4)
Heritage Lansdale	1	United States	90 %	Joint venture (4)
Jaguarundi	—	United States	66 %	Joint venture (5)
Terra Bluffs	1	United States	80 %	Joint venture (4)

(1) The Company directly holds its interest in the assets and liabilities of the real estate joint operation and therefore is proportionately consolidated.

(2) The Company has contractual preferred interest in the buildings based on the equity contributed to the buildings.

(3) These joint venture arrangements have been structured through separate legal entities and the third party operators lease the properties from the joint operation landlord, being Invesque Autumwood Landlord.

(4) These joint venture arrangements have been structured through separate legal entities. The joint venture owns an interest in separate legal entities which own the real estate and operations.

(5) The joint venture has sold all if its interests previously held in investment properties. Remaining assets include cash, escrows and receivables resulting from the earlier sale of the Bridgemoor properties.

The Company has entered into a number of joint arrangements for the purpose of jointly owning and operating certain of its seniors housing investments as detailed in the table above.

The Company owns a 29% direct beneficial interest in the investment properties of the Invesque-Autumnwood Landlord entities ("landlords") and with Autumnwood is jointly obligated for the related mortgages for a portfolio of four properties. These properties are classified as joint controlled operations and are accounted for under the proportionate consolidation method. The Company's 29% interest in the operations of these investment properties is held through separate legal entities (collectively referred to as "Invesque-Autumnwood Operators"), which under IFRS 11, Joint arrangements, are classified as joint ventures and are accounted for using the equity method. Invesque-Autumnwood Operators have leased the real estate from the related party landlords under their respective lease agreements. These leases are for three-year periods, with six automatic renewals every third anniversary for a total of 21 years. The Company's proportionate share of the landlords' lease receipts totaling $978 and $2,783, respectively, for the three and nine months ended September 30, 2024 (three and nine months ended September 30, 2023 - $883 and $2,641, respectively), were reported as lease revenue from joint ventures in the statements of loss and comprehensive loss. Invesque-Autumnwood Operators' lease expense in connection with these properties is included in the share of loss from joint ventures.

The Company has an interest in eight seniors housing and care properties in the United States in which it also owns an interest in the operations at those properties through joint arrangements. In these joint arrangements, the Company owns an interest in the real estate and operations through separate legal entities at each of the properties and has management agreements in place to provide for the day-to-day operations resulting in joint control of the interests in both the real estate and operations. Each of these joint arrangements are accounted for as joint ventures using the equity method and the Company's share of net loss is included in loss from joint ventures in the consolidated statements of loss and comprehensive loss.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

The following tables summarize the information about the Company's investment in joint ventures, which have been accounted for under the equity method:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash contributions to joint ventures	$ 392	$ 1,358	$ 1,795	$ 2,589
Distributions received from joint ventures	$ 628	$ 1,027	$ 1,534	$ 2,968

	September 30, 2024		December 31, 2023	
	Net assets	Company share of net assets	Net assets	Company share of net assets
Cash and cash equivalents	$ 873	$ 688	$ 1,181	$ 881
Tenant and other receivables	3,042	2,340	2,676	2,087
Other	5,294	5,000	5,518	4,541
Current assets	9,209	8,028	9,375	7,509
Investment properties	193,796	153,115	190,353	150,592
Property, plant and equipment, net	1,423	413	1,417	708
Derivative instruments	—	—	1,085	896
Other non-current assets	9	8	11	10
Total assets	$ 204,437	$ 161,564	$ 202,241	$ 159,715
Accounts payable and accrued liabilities	$ 15,018	$ 10,593	$ 10,916	$ 8,898
Deferred revenue	710	585	645	530
Mortgages payable - current	54,919	45,933	9,146	7,345
Current liabilities	70,647	57,111	20,707	16,773
Mortgages payable - non-current	73,976	61,057	91,079	76,344
Construction loans	—	—	25,207	20,227
Other non-current liabilities	1,939	1,389	1,889	1,348
Total liabilities	$ 146,562	$ 119,557	$ 138,882	$ 114,692
Net assets	$ 57,875	$ 42,007	$ 63,359	$ 45,023

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	Three months ended September 30, 2024		Three months ended September 30, 2023	
	Net loss at 100%	Company share of net loss	Net income at 100%	Company share of net income
Revenue	$ 18,469	$ 10,585	$ 15,267	$ 9,308
Other income	—	—	—	—
Property operating expense	16,669	8,865	14,083	7,843
Net finance costs	2,678	2,223	1,244	1,041
Real estate tax expense	—	—	8	7
General and administrative expenses	1	—	42	29
Change in fair value of financial instruments	—	—	594	490
Change in fair value of investment properties	39	102	1,133	1,352
Net income (loss) prior to distributions to owners	$ (918)	$ (605)	$ (1,837)	$ (1,454)

	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
	Net loss at 100%	Company share of net loss	Net income at 100%	Company share of net loss
Revenue	$ 53,229	$ 31,256	$ 45,089	$ 27,338
Other income	—	—	2,086	1,742
Property operating expense	47,728	26,199	40,919	22,936
Depreciation expense	—	—	2	1
Net finance costs	6,768	5,614	3,637	3,046
Real estate tax expense	—	—	8	7
General and administrative expenses	13	9	47	32
Change in fair value of financial instruments	1,085	896	1,229	1,013
Change in fair value of investment properties	1,584	1,797	1,327	1,651
Net income (loss) prior to distributions to owners	$ (3,949)	$ (3,259)	$ 6	$ 394

Related party transactions occur between the Company and its interests in joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the parties. Except as disclosed elsewhere in these condensed consolidated interim financial statements, the related party balances are included in other assets and lease revenue from joint ventures.

The following table summarizes information related to mortgages payable accounted for by the Company's joint ventures at 100%:

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	September 30, 2024	December 31, 2023
Mortgages at fixed rates:		
Mortgages (principal)	$ 12,644	$ 6,352
Interest rates (inclusive of swap impact)	8.00 %	4.25 %
Weighted average interest rate	8.00 %	4.25 %
Mortgages at variable rates:		
Mortgages (principal)	$ 117,386	$ 95,035
Interest rates	SOFR plus 2.05% to SOFR plus 4.00%	2.035% plus SOFR fixed at 1.95% to SOFR plus 4.00%
Weighted average interest rate	7.79 %	5.00 %
Blended weighted average rate	7.81 %	4.95 %

The Company has a mortgage payable ($8,935 outstanding principal balance at 100%) that is past due as of September 30, 2024. The Company is actively negotiating an extension with the lender and anticipates closing on extension terms in the fourth quarter of 2024.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

8. Credit facilities:

The credit facilities are recorded net of loan fees, which are capitalized as incurred, and amortized as part of finance cost over the terms of the related loans using the effective interest rate method.

	September 30, 2024	Borrowing rate at September 30, 2024	December 31, 2023	Borrowing rate at December 31, 2023
Credit Facility (1)	$ 52,377	7.91 %	$ 159,000	7.67 %
Credit Facility (1)	—	— %	24	7.95 %
Commonwealth Facility (2)	175,362	5.76 %	177,262	5.76 %
Finance costs, net	(557)	—	(271)	—
Carrying value	$ 227,182	6.25 %	$ 336,015	6.66 %
Less current portion	227,182		216,015	
Non-current portion	$ —		$ 120,000	

(1) As of December 31, 2023, $159,000 of the corporate credit facility principal balance was swapped from a variable to a fixed rate of interest, while $24 of the corporate credit facility was subject to variable interest rates.

(2) The interest rate as of September 30, 2024, which is reflective of the in-place swapped rate and applicable credit spread. The interest rate swap matures November 1, 2024, while the facility matures August 1, 2025.

Future principal repayments of the credit facilities are as follows:

	Aggregate principal payments
2024	$ 651
2025	227,088
2026 and thereafter	—
Total	$ 227,739

The Commonwealth credit facility is expected to be settled in conjunction with the sale of 20 properties and the Company's ownership in the management company operated by Commonwealth Senior Living (collectively, the "Foxhound portfolio"). Management anticipates the sale of the Foxhound portfolio to close in the first quarter of 2025, subject to purchaser due diligence and other contingencies (note 14).

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

9. Mortgages payable:

Mortgages payable consist of the following as at:

	September 30, 2024	December 31, 2023
Mortgages payable	$ 203,324	$ 214,017
Mark-to-market adjustment, net	185	4,823
Finance costs, net	(2,248)	(2,221)
Carrying value	$ 201,261	$ 216,619
Less current portion	75,163	63,830
Non-current portion	$ 126,098	$ 152,789

Mortgages payable are first charge mortgages secured and collateralized by investment properties and property, plant and equipment with a carrying value of $300,541 at September 30, 2024. Maturity dates on mortgages payable range from 2024 to 2049, and the weighted average years to maturity is 2.52 years at September 30, 2024.

Future principal payments on the mortgages payable as at September 30, 2024 are as follows:

	Regular principal payments	Principal due on maturity	Total principal payments	% of total principal payments
2024	$ 423	$ 17,025	$ 17,448	9 %
2025	1,632	61,719	63,351	31 %
2026	1,427	62,307	63,734	31 %
2027	843	17,160	18,003	9 %
2028	846	2,857	3,703	2 %
Thereafter	7,398	29,687	37,085	18 %
	$ 12,569	$ 190,755	$ 203,324	100 %

The mortgages contain several financial covenants, most notably those that are debt service coverage in nature, as defined and described in the respective agreements. Under certain mortgages, if certain debt service coverage ratios are not achieved, the Company has the ability to post cash to cure any shortfall in accordance with the respective agreements. Accordingly, certain mortgages payable are classified as a non-current liability as at period end on the basis that the Company has the right to defer settlement of the liabilities on the basis that compliance with covenants is expected over twelve months after the reporting period.

$50,816 of outstanding mortgages as of September 30, 2024 were subsequently settled as part of the sale of seven properties managed by Commonwealth Senior Living on October 15, 2024 (note 28). These mortgages were not included in liabilities directly associated with assets held for sale in the condensed consolidated interim statements of financial position, as per the purchase and sale agreement they were not required or expected to be settled in conjunction with the sale of the directly related assets.

$28,912 of outstanding mortgages as of September 30, 2024 are directly associated with properties in the Foxhound portfolio and per the purchase and sale agreement are expected to be settled in conjunction with the sale of the directly related assets. Therefore, these mortgages are included in liabilities directly associated with assets held for sale in the condensed consolidated interim statements of financial position, and not included in the balances shown in the above tables.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	September 30, 2024	December 31, 2023
Mortgages at fixed interest rates:		
Mortgages (principal)	$ 63,251	$ 61,317
Interest rates (inclusive of interest rate swap impact)	2.55% to 12.00%	2.55% to 6.15%
Weighted average interest rate	5.65 %	4.06 %
Mortgages at variable rates(1):		
Mortgages (principal)	$ 140,073	$ 152,700
Interest rates	SOFR plus 3.50% with a 2% SOFR cap to SOFR plus 4.00%	SOFR plus 2.45% with a 2% SOFR cap to SOFR plus 3.50% with a 1% SOFR Floor
Weighted average interest rate	7.17 %	6.97 %
Weighted average interest rate	6.67 %	6.14 %

(1) Weighted average interest rates include variable rate debt of $60,500 that is fixed with interest rate swaps and interest rate caps. Details of fixed rate swaps and cap rates are as follows:

Balance and swapped or capped rate at September 30, 2024	Stated interest rate	Interest rate swap / cap maturity	Debt maturity
$3,000 fixed swap at 8.1%	8.8 %	August 5, 2026	August 5, 2026
$57,500 rate cap at 5.5%	8.7 %	June 10, 2025	January 10, 2026

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

10. Derivative financial instruments:

(a) Derivative swaps and interest rate caps:

Derivative swaps and interest rate caps as at September 30, 2024, and fair value adjustments during the period then ended, are detailed in the table below:

Swaps and Caps	Maturity date	Fixed rate	Notional amount	Asset (liability) balance September 30, 2024	Asset (liability) balance December 31, 2023	Income (loss) for the nine months ended September 30, 2024	Income (loss) for the nine months ended September 30, 2023
Credit Facility Term [1]	December 19, 2023	SOFR fixed at 2.05%	$ —	$ —	$ —	$ —	$ (4,198)
Credit Facility Revolver [1]	January 2, 2024	SOFR fixed at 2.50%	—	—	—	—	(427)
Credit Facility Term and Revolver [2]	May 31, 2025	SOFR fixed at 5.07%	—	—	(837)	652	—
Red Oak Mortgage Swap [3]	July 31, 2024	CORRA fixed at 3.82%	—	—	7	(7)	14
Commonwealth Credit Facility Swap [4]	August 1, 2024	SOFR fixed at 1.62%	—	—	—	—	(1,554)
Commonwealth Credit Facility Swap [4]	November 1, 2024	SOFR fixed at 3.50%	175,362	434	822	(1,985)	(95)
Charlottesville Mortgage Swap[5]	March 31, 2024	SOFR fixed at 2.96%	—	—	—	—	(461)
Christiansburg Mortgage Rate Cap[6]	July 1, 2028	SOFR capped at 2.00%	9,963	—	194	(519)	286
Merchants Bank of Indiana Mortgage Rate Cap[7]	June 10, 2025	SOFR capped at 2.00%	57,500	1,026	2,156	(1,130)	57
Carrollton Mortgage Swap	August 5, 2026	SOFR fixed at 5.02%	3,000	(84)	(90)	6	(34)
Wesbanco Mortgage Swaps [8]	May 10, 2029	SOFR fixed at 3.64%	20,438	(424)	—	(424)	—
Net carrying value and net fair value adjustments				$ 952	$ 2,252	$ (3,407)	$ (6,412)
Less current portion				1,460	1,023		
Non-current portion				$ (508)	$ 1,229		
Derivative instruments asset				$ 1,460	$ 3,179		
Derivative instruments liability				(508)	(927)		
				$ 952	$ 2,252		

(1) The swaps were terminated or matured on December 19, 2023.

(2) The swap was contracted effective December 29, 2023 and terminated on February 26, 2024.

(3) The swap matured on July 31, 2024.

(4) The original swap was terminated on June 29, 2023 and re-contracted, with new terms, with an effective date of September 1, 2023. In May 2024 a short-term swap was re-contracted with a maturity date of July 31, 2024. In August 2024 another short-term swap was re-contracted, with a maturity date of November 1, 2024

(5) The swap was terminated on December 29, 2023.

(6) The interest cap consists of an interest rate spread ceiling of 2.00% and a base rate of 2.45%. In July 2024 the interest cap was extended 48 months. As of September 30, 2024, the cap is classified under assets held for sale, as the buyer of the upcoming property sale of the Foxhound portfolio is expected to assume the instrument (note 14).

(7) The interest cap was purchased in conjunction with a mortgage refinance and consists of an interest rate spread ceiling of 2.00% and a base rate of 3.50%.

(8) The three swaps were contracted August 1, 2024 but are not effective until May 10, 2025.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

(b) Prepayment embedded derivatives:

Certain mortgages payable contain prepayment options that represent embedded derivatives that require bifurcation from the host contract. The prepayment options are measured at fair value, with changes in the fair value being recognized as change in fair value of financial instruments in the consolidated statements of loss and comprehensive loss.

The fair value of the prepayment embedded derivatives has been determined using a SOFR based interest rate swap options ("swaptions") as a proxy. The swaptions were structured to mirror the financial conventions of the respective loans, including payment periods, accrual basis, principal amortization, prepayment dates and prepayment premiums. The swaptions were structured as fixed receiver with a strike rate set on market as of the date of the loan agreement with exercise premiums to match the underlying loans plus a cost of refinancing upon exercise. The resulting swaption price would represent a proxy for the value of the prepayment rights embedded in the underlying loans. The fair values determined are based on significant other observable inputs (Level 2). As at September 30, 2024, the prepayment embedded derivative assets have a fair value of $868 (December 31, 2023 - $848). For the three and nine months ended September 30, 2024, a fair value gain of $151 and $21, respectively (three and nine months ended September 30, 2023 - $327 loss and $367 loss, respectively), was recorded in the consolidated statements of loss and comprehensive loss. The prepayment embedded derivatives are directly associated with mortgages in the Foxhound portfolio and per the purchase and sale agreement are expected to be settled in conjunction with the sale of the directly related assets. Therefore, these instruments are included in assets held for sale in the condensed consolidated interim statements of financial position.

11. Convertible debentures:

(a) 2016 Convertible Debentures

The 2016 Convertible Debentures are comprised of the following as at:

	September 30, 2024	December 31, 2023
Issued and outstanding	$ 24,850	$ 24,850
Issue costs, net of amortization and accretion of equity component	3,545	2,202
Fair value adjustment, net	(939)	(2,768)
Equity component, excluding issue costs and taxes	(4,254)	(4,254)
2016 Convertible Debentures	$ 23,202	$ 20,030
Current	$ 23,202	$ —
Non-current	—	20,030
2016 Convertible Debentures	$ 23,202	$ 20,030

Interest costs of $435 and $1,305, respectively, related to the 2016 Convertible Debentures are recorded in financing costs for the three and nine months ended September 30, 2024 (December 31, 2023- $435 and $1,305, respectively) using the effective interest rate method (note 20).

On September 17, 2024, the Company announced its intention to seek approval of holders of the 2016 Convertible Debentures to amend the terms at a later date (note 1).

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

(b) 2018 Convertible Debentures

The 2018 Convertible Debentures are comprised of the following as at:

	September 30, 2024	December 31, 2023
Issued and outstanding	$ 50,000	$ 50,000
Redemptions	(4,828)	(4,828)
Normal course issuer bid ("NCIB") purchases	(1,757)	(1,757)
Issue costs, net of amortization and accretion of equity component	1,311	278
Fair value adjustment, net	(17,772)	(20,876)
Equity component, excluding issue costs and taxes	(7,236)	(7,236)
2018 Convertible Debentures	$ 19,718	$ 15,581
Current	$ —	$ —
Non-current portion	19,718	15,581
2018 Convertible Debentures	$ 19,718	$ 15,581

Interest costs of $950 and $2,850, respectively, related to the 2018 Convertible Debentures are recorded in financing costs for the three and nine months ended September 30, 2024 (December 31, 2023- $723 and $2,155, respectively) using the effective interest rate method (note 20).

On September 17, 2024, the Company announced its intention to seek approval of holders of the 2018 Convertible Debentures to amend the terms at a later date (note 1).

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

12. Other liabilities:

Other liabilities are as follows:

	September 30, 2024	December 31, 2023
Deferred shares liability (note 22)	$ 46	$ 118
Security deposits received from tenants	272	730
Escrows collected from tenant	853	699
Deferred revenue	2,149	2,454
Lease liability	555	2,183
Severance liability (note 21)	2,478	—
Other	1,564	1,032
	$ 7,917	$ 7,216
Current	$ 4,778	$ 3,712
Non-current	3,139	3,504
	$ 7,917	$ 7,216

13. Reconciliation of changes in liabilities arising from financing activities:

	Credit facilities	Mortgages payable	Convertible debentures	Commonwealth preferred unit liability	Total
Balance December, 31, 2023	$ 336,015	$ 216,619	$ 35,611	$ 58,348	$ 646,593
Proceeds from financing activities	—	53,904	—	—	53,904
Repayments and refinancings	(106,647)	(33,060)	—	—	(139,707)
Scheduled principal payments	(1,900)	(1,774)	—	—	(3,674)
Financing costs paid	(723)	(1,059)	—	—	(1,782)
Amortizing of financing costs, mark to market adjustments, and accretion of equity components as applicable	437	709	7,308	258	8,712
Transferred to liabilities related to assets held for sale (note 14)	—	(33,222)	—	(58,606)	(91,828)
Changes in foreign currency rates	—	(856)	1	—	(855)
Balance, September 30, 2024	$ 227,182	$ 201,261	$ 42,920	$ —	$ 471,363

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

14. Disposal group held for sale:

Throughout 2024, the Company executed purchase and sale agreements for three investment properties in New York and expects to close on these sale transactions in the next six months. As of September 30, 2024, the properties are encumbered by mortgages payable with a total principal amount of $26,314. As per the purchase and sale agreements, these mortgages are not required or expected to be settled in conjunction with the sale of the properties. Accordingly, the mortgages have not been classified as liabilities directly associated with assets held for sale.

In the second quarter of 2024, the Company executed purchase and sale agreements to sell eight properties operated by Commonwealth Senior Living. Subsequent to period end, a sale of seven of the eight properties closed on October 15, 2024, and the remaining asset is expected to close by early 2025. As of September 30, 2024, assets in the portfolio were secured by a mortgage with a principal balance $57,500, of which $50,816 was settled at the close of the sale. As per the purchase and sale agreements, these mortgages were not required or expected to be settled in conjunction with the sale of the directly related assets, although management repaid the mortgages upon the sales of the properties. Accordingly, the mortgages have not been classified as liabilities directly associated with assets held for sale. Impairment losses of $701 was recorded in the period to lower the carrying value of the portfolio to its fair value less estimated costs to sell. The remaining property is subject to a nine-month purchase option available to the same buyer.

In the third quarter of 2024, the Company executed a purchase and sale agreement to sell the Foxhound portfolio. The transaction is expected to close in early 2025, subject to satisfaction or waiver of a due diligence condition in favor of the purchaser and other customary closing conditions. The sale is also subject to the buyer obtaining satisfactory financing and is expected to utilize a promissory note as part of the net consideration. As of September 30, 2024, a portion of the portfolio was secured by a credit facility with a principal amount of $175,362, which is included in credit facilities in the condensed consolidated interim statements of financial position. As per the purchase and sale agreement, the credit facility was not required or expected to be assumed by the buyer in conjunction with the sale. Further, the credit facility is expected to be repaid by the Company upon the sale of the portfolio. The portfolio is also encumbered by mortgages payable with a total principal value of $45,558 as of September 30, 2024. $28,912 of mortgages directly linked to the assets classified as held for sale are expected, but not required, to be assumed by the buyer and are included in liabilities related to assets held for sale. A mortgage totaling $16,646 is included in mortgages payable in the condensed consolidated interim statements of financial position as it is not required or expected to be settled in conjunction with the sale of the directly related assets, but rather is expected to be settled by the Company at the close of the sale. The portfolio is also encumbered by a preferred unit liability that is expected to be assumed by the buyer and is included in liabilities related to assets held for sale. Two of the properties to be sold within the Foxhound portfolio will be subject to a put option whereby the Company would be obligated to purchase back both properties at a later time, with the total price dependent on occupancy metrics as specified in the purchase and sale agreement.

The assets and liabilities of the assets held for sale as at September 30, 2024, are as follows:

		September 30, 2024
Investment properties	$	35,900
Property, plant and equipment		340,776
Other assets		1,438
Total assets held for sale	$	378,114
Accounts payable and accrued liabilities	$	4,552
Mortgages payable		33,222
Commonwealth preferred unit liability		58,606
Other liabilities		1,297
Total liabilities related to assets held for sale	$	97,677

The Commonwealth preferred unit liability is comprised of the following as at:

		September 30, 2024
Issued	$	68,424
Cumulative redemptions		(9,818)
Equity component, net of accretion		—
Commonwealth preferred unit liability	$	58,606

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

15. Discontinued operations:

A strategic decision was made by the Company to exit the medical office building segment in 2022. The sale of the remaining building in the United States is expected to be completed in the next nine months. On July 26, 2022, the Company sold a medical office building in Orlando, Florida, and on July 28, 2022, it sold ten medical office buildings in Canada. On November 28, 2022, the Company sold a medical office building in Brantford, Ontario. On April 7, 2023, the Company sold a medical office Building in Orlando, Florida and on August 14, 2024, the Company sold a medical office building in Buffalo, New York.

The medical office building segment has been classified as discontinued operations for a period greater than one year from the date of classification, however the Company remains committed in its plan to exit the segment and sell the remaining property at a reasonable fair market value, which is reflected in change in fair value of investment properties.

The assets and liabilities of the discontinued operations as at September 30, 2024 are as follows:

	September 30, 2024	December 31, 2023
Investment properties	$ 3,122	$ 5,521
Other assets	753	854
Total assets of discontinued operations classified as held for sale	$ 3,875	$ 6,375
Other liabilities	$ 320	$ 457
Total liabilities related to assets held for sale	$ 320	$ 457

The following is a summary of the results of discontinued operations:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Rental revenue	$ 283	$ 565	$ 932	$ 1,880
Other revenue	—	18	16	35
Direct property operating expense	275	396	925	1,160
Net finance costs from operations	191	216	625	717
Real estate tax expense	(48)	—	355	535
General and administrative expense	9	40	75	167
Transaction costs	53	—	53	172
Change in fair value of investment properties - IFRIC 21	135	110	(67)	(182)
Change in fair value of investment properties	(101)	24	299	2,841
Foreign exchange loss (income) reclassified from other comprehensive income	(2)	22	8	(7)
Current income tax expense (recovery)	—	(66)	—	926
Net loss from discontinued operations	$ (229)	$ (159)	$ (1,325)	$ (4,414)

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

Cash flows from discontinued operations, as included in the applicable activities reported in the consolidated statement of cash flows:

	Nine months ended September 30, 2024	2023
Net cash provided by (used in) operating activities	$ 425	$ (2,252)
Net cash provided by (used in) financing activities	(2,590)	(4,830)
Net cash provided by (used in) investing activities	1,991	5,934

Asset disposition during the nine months ended September 30, 2024:

	New York
Properties sold:	1
Net assets disposed:	
Investment properties	$ 2,500
	$ 2,500
Consideration received/(funded):	
Cash	$ (164)
Mortgage settlement	2,609
Closing costs	53
Working capital	2
	$ 2,500

On August 14, 2024, the Company sold a medical office building in Buffalo, New York for $2,500 before closing costs. Upon completion of the sale, $2,609 was paid down on the existing mortgage.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

16. Share capital:

(a) Common shares:

The following number and value of common shares were issued and outstanding as at September 30, 2024:

	Common shares	Carrying value
Balance, December 31, 2023	56,206,294	$ 518,370
Issued on settlement of Deferred Share Incentive Plan	18,876	5
Issued on settlement of equity settled Deferred Shares	—	—
Shares acquired under NCIB	—	—
Reversal of obligation for purchase of units under automatic share purchase plan	—	—
Shares forfeited by shareholders	—	—
Balance, September 30, 2024	56,225,170	$ 518,375

(b) Preferred shares:

The following number and value of preferred shares were issued and outstanding as at September 30, 2024:

	Preferred shares	Carrying value
Balance, December 31, 2023 and September 30, 2024	9,098,598	$ 85,389

As at September 30, 2024, the preferred shares are convertible into 13,698,057 (December 31, 2023 - 13,010,732) common shares of the Company. The number of preferred shares that are convertible into common shares accrete at a prescribed rate per annum based on the subscription agreement specific to the class, compounded quarterly, increasing the number of common shares into which each preferred share is convertible.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

17. Earnings (loss) per share:

Basic income per share is calculated using the weighted average number of shares outstanding during the period. The calculation of diluted income per share, is calculated using the "if-converted" method and to the extent the conversion is dilutive, assumes all convertible securities have been converted at the beginning of the period, or at the time of issuance, if later, and any charges or returns on the convertible securities, on an after-tax basis, are removed from net earnings. The outstanding convertible debentures, unvested deferred shares and Commonwealth preferred units, if exercised, would be anti-dilutive to net income per share. Accordingly, their potential exercise has been ignored in calculating the diluted net income per share.

The following table reconciles the numerator and denominator of the basic and diluted earnings per share computation:

Net loss:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net loss from continuing operations for basic and diluted net loss per share	$ (7,294)	$ 751	$ (28,256)	$ (56,518)
Net loss for basic and diluted net loss per share	$ (7,523)	$ 592	$ (29,581)	$ (60,932)

Denominator for basic and diluted net loss per share:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Weighted average number of shares, including fully vested deferred shares: Basic and diluted	56,681,140	56,674,097	56,672,784	56,718,681

Net loss per share:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net loss per share from continuing operations:				
Basic and diluted	$ (0.13)	$ 0.01	$ (0.50)	$ (1.00)
Net loss per share:				
Basic and diluted	$ (0.13)	$ 0.01	$ (0.52)	$ (1.07)

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

18. Revenue:

(a) Rental Revenue:

Rental revenue consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Contractual rental revenue	$ 3,043	$ 6,286	$ 13,660	$ 25,473
Straight-line rent adjustments	218	789	1,058	2,375
Amortization of tenant inducements	(61)	(61)	(182)	(183)
Amortization of leasing commission	(5)	(5)	(15)	(15)
Property tax recoveries	(75)	1,473	3,195	7,872
	$ 3,120	$ 8,482	$ 17,716	$ 35,522

The Company is scheduled to receive rental income from operators of its seniors housing and care properties under the provisions of non-cancellable operating leases, generally with lease terms of 10 to 15 years, with provisions for lease extensions at the option of the tenants. These leases are triple-net and include renewal options and rent escalation clauses.

Future minimum rental revenues, excluding renewals and exercise of extension options, to be received subsequent to September 30, 2024 are as follows:

	As of September 30, 2024
Less than 1 year	$ 14,733
Between 1 and 5 years	61,092
More than 5 years	79,210
	$ 155,035

(b) Resident rental and related revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Resident revenue	$ 29,906	$ 30,143	$ 85,004	$ 87,513
Service revenue [1]	7,039	6,169	19,795	17,870
	$ 36,945	$ 36,312	$ 104,799	$ 105,383

(1) Represents relevant services at properties that are owner-managed, which are recognized as services are performed in accordance with IFRS 15.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

19. Direct property operating expenses:

Direct property operating expenses consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Repairs and maintenance	$ 791	$ 688	$ 2,181	$ 2,130
Utilities	959	1,000	2,877	3,069
Compensation and benefits	18,004	18,549	50,857	53,000
Other services and supplies	2,223	2,140	6,526	6,166
Administrative and marketing	2,216	2,629	7,283	7,593
Real estate taxes	662	588	1,684	1,746
Insurance	728	768	2,111	2,237
Other	921	1,180	2,200	3,703
	$ 26,504	$ 27,542	$ 75,719	$ 79,644

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

20. Net finance costs:

Net finance costs consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest expense on credit facilities	$ 5,049	$ 7,111	$ 16,896	$ 24,585
Interest expense on mortgages payable	3,568	3,097	9,604	7,696
Interest expense on convertible debentures	1,385	1,158	4,155	3,460
Dividends on Commonwealth preferred units	1,200	970	3,294	2,843
Amortization and accretion expense	1,221	5,550	3,683	7,608
Net income from interest rate swaps	(1,366)	(2,859)	(3,671)	(9,093)
Debt extinguishment costs	—	(4)	273	353
Gain on loan exchange	—	—	(685)	—
Write-off of deferred financing costs from refinancing	—	—	—	—
Amortization of mark-to-market debt adjustments	1,821	996	4,925	2,603
Net finance costs from operations	$ 12,878	$ 16,019	$ 38,474	$ 40,055
Allowance for credit losses on loans and interest receivable (note 3)	517	465	1,031	3,979
Allowance for (recoveries of) credit losses on property taxes receivable	(88)	—	(147)	10,656
Change in fair value of loans receivable classified as FVTPL	—	—	—	(1,390)
Change in fair value of financial instruments (note 10)	2,228	3,238	3,386	6,779
Accretion of fair value adjustment on convertible debentures (note 11)	1,824	(15,200)	4,933	(23,889)
Change in non-controlling interest liability related to finance costs from operations	(24)	(63)	(39)	(170)
Total finance costs	$ 17,335	$ 4,459	$ 47,638	$ 36,020

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

21. General and administrative:

General and administrative expenses consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Compensation and benefits	$ 2,637	$ 3,152	$ 11,819	$ 10,049
Professional fees	594	175	2,467	1,735
Deferred share compensation expense	(9)	(191)	(68)	143
Insurance	167	168	512	453
Rent	101	109	332	322
Other	334	733	1,837	2,363
	$ 3,824	$ 4,146	$ 16,899	$ 15,065

For the three and nine months ended September 30, 2024, $2,417 and 7,436, respectively (three and nine months ended September 30, 2023 - $2,134 and $6,798, respectively) of general and administrative expenses noted above were incurred at the Commonwealth Senior Living's management company.

(a) Executive severance:

Scott White, Chairman and former Chief Executive Officer, resigned from his role as Chief Executive Officer of the Company effective May 10, 2024. Mr. White continues to serve as Chairman of the Board of Directors and will remain with the Company in an advisory capacity. On April 26, 2024, the Company and Mr. White executed a separation agreement which called for a total severance package of $3,060 to be paid in the form of fixed monthly payments and five percent of net proceeds of specific asset sales. The severance expense is included in the compensation and benefits line of general and administrative expenses in the above table and the remaining liability of $2,478 is included in other liabilities (note 12).

22. Deferred share incentive plan:

At September 30, 2024, the number of deferred shares granted and outstanding and vested are as follows:

	Granted/ Outstanding	Fully Vested
As at December 31, 2023	485,595	452,028
Discretionary Deferred Shares	—	18,876
Company Contributed Deferred Shares	—	5,253
Shares issued upon vesting of deferred shares	(9,438)	—
Shares forfeited	(18,876)	(18,876)
As at September 30, 2024	457,281	457,281

For the three and nine months ended September 30, 2024, the Company recognized $(9) and $68, respectively, of expense related to deferred shares in the consolidated statements of loss and comprehensive loss (three and nine months ended September 30, 2023 - $(191) and $143, respectively). A deferred share liability of $46 is included in other non-current liabilities in the consolidated statements of financial position as at September 30, 2024 (December 31, 2023 - $118).

The deferred share incentive plan compensation expense is measured on grant at the service commencement date, based on the fair market value of the Company's shares, and amortized over the applicable vesting period. For the nine months ended September 30, 2024, the Company granted 0 deferred shares with a grant-date fair value of $0 (December 31, 2023 - 207,640 units with a grant-date fair value of $187).

23. Related party transactions:

Related party transactions in addition to those disclosed elsewhere in these consolidated financial statements are as follows:

On March 29, 2024, the Company announced that IVQ Stock Holding Company, LLC ("ISHC"), a company controlled by Adlai Chester ("Mr. Chester"), the Company's Chief Executive Officer and a member of its board of directors, entered into a share purchase agreement to acquire 16,982,283 common shares of the Company from certain subsidiaries of Tiptree Inc. (collectively, "Tiptree") at a price of $0.0368 per common share and an aggregate purchase price of $625,000. Following the acquisition, which closed in the second quarter of 2024, Tiptree no longer owns or controls any shares in the Company. ISHC now owns or controls, directly or indirectly, 16,982,283 common shares, representing approximately 30.21% of the outstanding common shares of the Company. Together with the 212,907 common shares currently owned or controlled by Mr. Chester, ISHC and Mr. Chester collectively own 17,195,190 common shares, representing approximately 30.59% of the outstanding common shares of the Company as of September 30, 2024. Upon execution of the Preferred Share Exchange (see below), ISHC and Mr. Chester will own a negligible percentage of the outstanding common shares of the Company.

On April 30, 2024, the Heritage Glassboro joint venture refinanced a $6,700 property-secured mortgage with a fund at Magnetar, a significant shareholder of the Company, at 8.00% interest with a 12-month maturity.

On September 16, 2024, the Company entered into an exchange agreement, further amended on October 17, 2024, with certain funds (the "Exchanging Magnetar Funds") managed by Magnetar Financial LLC ("Magnetar") whereby Magnetar agreed to exchange class A convertible preferred shares previously issued by the Company for 716,875,000 common shares of the Company (the "Preferred Share Exchange") (note 16). The value of the common shares to be issued to Magnetar pursuant to the Preferred Share Exchange represents a discount to the current liquidation value of the Preferred Shares as of September 30, 2024. The Preferred Shares held by the Exchanging Magnetar Funds represent all of the issued and outstanding Preferred Shares in the capital of the Company. Based on the number of Common Shares and Preferred Shares outstanding as of the date hereof, following the convertible debenture amendments and the Preferred Share Exchange, Magnetar and the Exchanging Magnetar Funds will own and exercise control over approximately 80% of the Common Shares. The Preferred Share Exchange is subject to certain conditions, including the substantially contemporaneous closing of the Debenture Exchange (note 11), approval of the TSX and shareholder approval, as required under the rules of the TSX and is expected to close in the fourth quarter of 2024.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

24. Income taxes:

The income tax recovery in the consolidated statements of loss and comprehensive loss differs from that expected by applying the combined federal, provincial and state income tax rates of 26.5% (2023 - 26.5%). The differences for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net loss from continuing operations before income taxes	$ (7,294)	$ (207)	$ (29,861)	$ (58,435)
Income tax recovery at Canadian tax rate	(1,933)	(54)	(7,913)	(15,484)
Non-deductible expenses	(2)	(47)	(16)	44
Difference in tax rate in foreign jurisdiction	(45)	(112)	(236)	(871)
Unrecognized tax benefit	1,980	(745)	6,560	14,394
Income tax recovery	$ —	$ (958)	$ (1,605)	$ (1,917)

For the three and nine months ended September 30, 2024, U.S. subsidiaries recognized income tax expense of $nil and $nil, respectively (three and nine months ended September 30, 2023 - $(66) and $927, respectively). The income tax expense for the prior year periods are included in net loss from discontinued operations (note 15).

25. Commitments and contingencies:

There are risks which arise from the Company's joint arrangements, including the willingness of the other partners to contribute or withdraw funds and a change in creditworthiness of the partner. As a result, there may be a requirement by the Company to contribute cash into the operating partnerships, for operational shortfalls. Generally, there are not minimum or maximum threshold contribution requirements of the partners contained in these agreements; rather, each partner is required to contribute a pro-rated share of the required amounts, commensurate with its ownership threshold.

On December 31, 2018, the Company entered into an operating agreement with Javelina Ventures, LLC in which the Company will share 5% of the net available cash flows from operations. Concurrently, the Company entered into an agreement to guarantee a total of $5,000 of the mortgages on the properties operated by Javelina Ventures, LLC. The Company earns an annual guaranty fee of $225 until the loans have been repaid or the guaranty is released. The Company has not recorded any balance in the consolidated financial statements associated with this commitment due to the underlying value of the property exceeding the value of the mortgage.

Pursuant to the Commonwealth purchase agreement, the Company may be required to fund one or more earnout payments relating to six communities that had not yet reached stabilization at the time of acquisition by the Company. These earnout payments are only payable in the event specific occupancy and EBITDAR thresholds have been satisfied and must be met prior to the third anniversary of closing at which time the earnout payment obligation will cease to exist. The earnout payments, when funded, will consist of a combination of cash and additional preferred interests. To date, the Company has paid $2,744 of Commonwealth preferred units and $2,508 of cash on hand. As at September 30, 2024, the Company has recorded a liability of $nil (December 31, 2023 - $nil) in the consolidated financial statements associated with this commitment based on the weighted average probability of earnout payments owed using estimated future results at the properties, and has not recognized any adjustment related to the change in fair value of contingent consideration (December 31, 2023 - $nil) related to this liability in the consolidated statements of loss and comprehensive loss.

Pursuant to the Company's sale of an equity interest in an investment property and associated issuance of debt on July 8, 2022, the Company entered into an agreement to provide a 100% recourse loan guarantee of up to $14,273 to the purchaser, applicable throughout the life of the mortgage. The amount of the loan guarantee may be reduced upon the achievement of performance covenants by the purchaser and related operations of the property, which have not been met as of September 30, 2024.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

Pursuant to the Company's anticipated sale of the Foxhound portfolio, the Company would be subject to a put option, subject to customary indemnities, whereby the purchaser can require the Company to re-acquire two of the properties to be sold (note 14).

26. Fair value measurement:

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated statements of financial position is as follows:

	September 30, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative instruments - asset	$ —	$ 1,460	$ —	$ —	$ 4,027	$ —
Investment properties	—	—	210,004	—	—	369,932
Loans receivable	—	—	2,574	—	—	2,484
Derivative instruments - liability	—	508	—	—	927	—
Deferred share liability	—	46	—	—	118	—

For the assets and liabilities measured at fair value as at September 30, 2024, there were no transfers between levels during the year. For changes in fair value measurements of investment properties included in Level 3 of the fair value hierarchy, refer to note 5 for details. The fair values of the derivative instruments represent estimates at a specific point in time using financial models, based on interest rates that reflect current market conditions, the credit quality of counterparties and interest rate curves. Fair value measurements of derivative instruments were estimated using Level 2 inputs. Fair value of deferred share liability represents the value of the units if converted using the market price of the Company's common shares.

Fair value of financial instruments:

The carrying amounts and fair values of financial instruments as shown in the consolidated statement of financial position are shown in the table below. The table below excludes cash, tenant and other receivables, security deposits and costs related to future acquisitions, escrow deposits held by lenders, property tax receivables, accounts payable and accrued liabilities, accrued real estate taxes, security deposits, and escrows collected from tenant, as the carrying amounts of these assets and liabilities are a reasonable approximation of fair value due to their short-term nature.

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	September 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans receivable	$ 10,208	$ 10,211	$ 12,852	$ 12,688
Derivative instruments	1,460	1,460	4,027	4,027
Bond assets	363	363	504	504
Financial liabilities:				
Mortgages payable	201,261	197,080	216,619	200,662
Credit facilities	227,182	227,739	336,015	335,047
Derivative instruments	508	508	927	927
Convertible debentures	42,920	39,005	35,611	28,608
Commonwealth preferred unit liability (note 14)	—	—	58,348	58,348

Fair value represents management's estimates of the fair market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective and require estimation and cannot be determined with precision. Changes in assumptions could significantly affect the estimates. There were no changes in the methods and assumptions used in estimating the fair values since year-end.

27. Segments:

The Company’s current portfolio includes investments in assisted living, independent living, memory care, long-term care, and medical office properties. The Company's senior housing and care investments in assisted living, independent living, memory care and long-term care share similar characteristics and are generally leased to operators on a long-term, triple-net lease basis. In some instances, the Company has an interest in both the property and operations in joint ventures and joint arrangements with the operating partner at the facility. The Company considers these investments to be one reportable operating segment. The Company also has an investment in a medical office building ("Medical office buildings") that is classified as part of discontinued operations. This multi-tenant medical office portfolio has different characteristics that are evaluated by management and is considered to be a separate operating segment. Through the acquisition of Commonwealth, a consolidated subsidiary, and the transition of certain other assets, the Company has investments in 29 properties and a management company that operates 28 of those properties ("owner occupied property"). Management considers this a separate reportable segment.

The following tables show net loss by reportable segment for the three and nine months ended September 30, 2024 and 2023:

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	Three months ended September 30, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 3,120	$ —	$ —	$ 3,120	$ 283	$ 3,403
Resident rental and related revenue	—	36,945	—	36,945	—	36,945
Lease revenue from joint ventures	978	—	—	978	—	978
Other revenue	7	1,203	128	1,338	—	1,338
Interest income from loans receivable	8	—	192	200	—	200
Direct property operating expenses	—	26,504	—	26,504	275	26,779
Depreciation and amortization expense	—	2,870	46	2,916	—	2,916
Net finance cost from operations	3,225	5,576	4,077	12,878	191	13,069
Real estate tax expense (recovery)	(2,074)	—	—	(2,074)	(48)	(2,122)
General and administrative expenses	13	2,417	1,394	3,824	9	3,833
Transaction costs, net	16	(1)	5	20	53	73
Allowance for expected credit losses	(17)	—	446	429	—	429
Changes in non-controlling interest liability	(19)	233	—	214	—	214
Change in fair value of investment properties - IFRIC 21	1,999	—	—	1,999	135	2,134
Change in fair value of investment properties	261	—	—	261	(101)	160
Impairment of property, plant and equipment	—	280	—	280	—	280
Change in fair value of financial instruments	480	1,748	—	2,228	—	2,228
Gain (loss) on sale and acquisition of property, plant and equipment	—	(209)	—	(209)		(209)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	(2)	(2)
Share of income (loss) from joint ventures	(605)	—	—	(605)	—	(605)
Net income (loss)	$ (376)	$ (1,270)	$ (5,648)	$ (7,294)	$ (229)	$ (7,523)
Expenditures for non-current assets:						
Capital additions	$ —	$ 1,336	$ —	$ 1,336	$ 6	$ 1,342

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	Nine months ended September 30, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 17,716	$ —	$ —	$ 17,716	$ 932	$ 18,648
Resident rental and related revenue	—	104,799	—	104,799	—	104,799
Lease revenue from joint ventures	2,783	—	—	2,783	—	2,783
Other revenue	17	3,332	475	3,824	16	3,840
Other income	1,500	—	—	1,500	—	1,500
Interest income from loans receivable	13	—	590	603	—	603
Direct property operating expenses	—	75,719	—	75,719	925	76,644
Depreciation and amortization expense	—	9,797	138	9,935	—	9,935
Net finance costs from operations	10,908	16,789	10,777	38,474	625	39,099
Real estate property tax expense	4,038	—	—	4,038	355	4,393
General and administrative expenses	81	7,435	9,383	16,899	75	16,974
Transaction costs, net	424	(39)	(47)	338	53	391
Allowance for expected credit losses	(74)	—	958	884	—	884
Changes in non-controlling interest liability	21	505	—	526	—	526
Change in fair value of investment properties - IFRIC 21	(843)	—	—	(843)	(67)	(910)
Change in fair value of investment properties	6,596	—	—	6,596	299	6,895
Impairment of property, plant and equipment	—	2,110	—	2,110	—	2,110
Change in fair value of financial instruments	426	3,612	(652)	3,386	—	3,386
Gain (loss) on sale and acquisition of property, plant and equipment	—	(235)	—	(235)	—	(235)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	8	8
Share of income (loss) from joint ventures	(3,259)	—	—	(3,259)	—	(3,259)
Income tax recovery	—	—	1,605	1,605	—	1,605
Net income (loss)	$ (2,807)	$ (7,562)	$ (17,887)	$ (28,256)	$ (1,325)	$ (29,581)
Expenditures for non-current assets:						
Capital additions	$ 504	$ 3,622	$ —	$ 4,126	$ 417	4,543

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	Three months ended September 30, 2023					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 8,482	$ —	$ —	$ 8,482	$ 565	$ 9,047
Resident rental and related revenue	—	36,312	—	36,312	—	36,312
Lease revenue from joint ventures	883	—	—	883	—	883
Other revenue	5	926	133	1,064	18	1,082
Interest income from loans receivable	9	—	578	587	—	587
Direct property operating expenses	—	27,542	—	27,542	396	27,938
Depreciation and amortization expense	—	3,807	47	3,854	—	3,854
Finance cost from operations	2,678	6,111	7,230	16,019	216	16,235
Real estate property tax expense	50	—	—	50	—	50
General and administrative expenses	1	2,134	2,011	4,146	40	4,186
Transaction costs, net	52	—	621	673	—	673
Allowance for expected credit losses	—	—	465	465	—	465
Changes in non-controlling interest liability	372	(277)	—	95	—	95
Change in fair value of investment properties - IFRIC 21	1,423	—	—	1,423	110	1,533
Change in fair value of investment properties	140	—	—	140	24	164
Change in fair value of financial instruments	41	842	(12,845)	(11,962)	—	(11,962)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	22	22
Impairment of property, plant and equipment	—	3,636	—	3,636	—	3,636
Share of (income) loss from joint ventures	(1,454)	—	—	(1,454)	—	(1,454)
Income tax expense (recovery)	—	—	(958)	(958)	(66)	(1,024)
Net income (loss)	$ 3,168	$ (6,557)	$ 4,140	$ 751	$ (159)	$ 592
Expenditures for non-current assets:						
Capital additions	$ 3,105	$ 1,251	$ —	4,356	$ 108	4,464

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

	Nine months ended September 30, 2023					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 35,522	$ —	$ —	$ 35,522	$ 1,880	$ 37,402
Resident rental and related revenue	—	105,383	—	105,383	—	105,383
Lease revenue from joint ventures	2,641	—	—	2,641	—	2,641
Other revenue	16	2,588	389	2,993	35	3,028
Other income	1,711	34	—	1,745	—	1,745
Interest income from loans receivable	185	—	1,462	1,647	—	1,647
Direct property operating expenses	—	79,644	—	79,644	1,160	80,804
Depreciation and amortization expense	—	11,192	140	11,332	—	11,332
Net finance costs from operations	12,099	15,703	12,253	40,055	717	40,772
Real estate property tax expense	10,136	—	—	10,136	535	10,671
General and administrative expenses	34	6,798	8,233	15,065	167	15,232
Transaction costs, net	707	—	621	1,328	172	1,500
Allowance for expected credit losses	10,605	—	4,030	14,635	—	14,635
Changes in non-controlling interest liability	372	(141)	—	231	—	231
Change in fair value of investment properties - IFRIC 21	(2,264)	—	—	(2,264)	(182)	(2,446)
Change in fair value of investment properties	53,474	—	—	53,474	2,841	56,315
Change in fair value of financial instruments	(1,370)	2,135	(19,265)	(18,500)	—	(18,500)
Gain (loss) on sale and acquisition of property, plant and equipment	—	(12)	—	(12)	—	(12)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	(7)	(7)
Impairment of property, plant and equipment	—	3,636	—	3,636	—	3,636
Share of income (loss) from joint ventures	394	—	—	394	—	394
Income tax expense (recovery)	—	—	(1,917)	(1,917)	926	(991)
Net income (loss)	$ (43,324)	$ (10,950)	$ (2,244)	$ (56,518)	$ (4,414)	$ (60,932)
Expenditures for non-current assets:						
Acquisition of properties	$ 621	$ —	$ —	621	$ —	621
Capital additions	6,819	4,707	—	11,526	196	11,722

(Expressed in thousands of U.S. dollars unless otherwise noted, except share and per share amounts)

The following tables show assets and liabilities by reportable segment as at September 30, 2024 and December 31, 2023:

	As at September 30, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings	Total
Investment properties	$ 210,004	$ —	$ —	$ 210,004	$ —	$ 210,004
Property, plant and equipment, net	—	28,571	348	28,919	—	28,919
Investment in joint ventures	42,007	—	—	42,007	—	42,007
Loans receivable	717	—	9,491	10,208	—	10,208
Assets held for sale	35,900	342,214	—	378,114	3,875	381,989
Other assets	8,143	24,338	5,492	37,973	—	37,973
Total assets	$ 296,771	$ 395,123	$ 15,331	$ 707,225	$ 3,875	$ 711,100
Mortgages payable	$ 128,086	$ 73,175	$ —	$ 201,261	$ —	$ 201,261
Credit facilities	52,377	174,805	—	227,182	—	227,182
Convertible debentures	—	—	42,920	42,920	—	42,920
Non-controlling interest liability	553	2	—	555	—	555
Other liabilities	3,603	13,115	9,595	26,313	—	26,313
Liabilities related to assets held for sale	—	97,677	—	97,677	320	97,997
Total liabilities	$ 184,619	$ 358,774	$ 52,515	$ 595,908	$ 320	$ 596,228

	As at December 31, 2023					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings	Total
Investment properties	$ 369,932	$ —	$ —	$ 369,932	$ —	$ 369,932
Property, plant and equipment, net	—	348,822	501	349,323	—	349,323
Investment in joint ventures	45,023	—	—	45,023	—	45,023
Loans receivable	871	—	11,981	12,852	—	12,852
Assets held for sale	—	3,962		3,962	6,375	10,337
Other assets	9,312	24,381	6,924	40,617	199	40,816
Total assets	$ 425,138	$ 377,165	$ 19,406	$ 821,709	$ 6,574	$ 828,283
Mortgages payable	$ 101,471	$ 106,965	$ —	$ 208,436	$ 8,183	$ 216,619
Credit facilities	159,024	176,991	—	336,015	—	336,015
Convertible debentures	—	—	35,611	35,611	—	35,611
Commonwealth preferred unit liability	—	58,348	—	58,348	—	58,348
Non-controlling interest liability	533	(16)	—	517	—	517
Other liabilities	9,896	14,849	9,385	34,130	—	34,130
Liabilities related to assets held for sale	—	—	—	—	457	457
Total liabilities	$ 270,924	$ 357,137	$ 44,996	$ 673,057	$ 8,640	$ 681,697

In measuring performance, the Company does not distinguish or group its properties on a geographical basis. Management has applied judgment by aggregating its properties into four reportable segments for disclosure purposes. The Company's Chief Executive Officer, being the chief operating decision maker, regularly reviews performance on an individual property basis and on the basis of the Company's operating segments.

At September 30, 2024, $196,883 of the Company's non-current assets, excluding financial instruments, are located in the United States (December 31, 2023 - $681,312) and $85,852 are located in Canada (December 31, 2023 - $85,180). During the three and nine months ended September 30, 2024, the Company generated $40,065 and $122,515, respectively, (three and nine months ended September 30, 2023 - $44,794 and $140,905, respectively), of its revenues, excluding other revenue, from properties located in the United States and $978 and $2,783, respectively, (three and nine months ended September 30, 2023 - $883 and $2,641, respectively) of its revenues from properties located in Canada.

28. Subsequent events:

On October 15, 2024, the Company sold seven seniors housing properties in Maryland (3), Virginia (3) and Tennessee (1) that were previously operated by Commonwealth Senior Living for a total sale price of $65,408. Sale proceeds in excess of closing costs were used to partially pay off property level mortgages associated with six of the properties, to further reduce borrowing under the corporate credit facility, and retained by the Company to continue to satisfy ongoing liquidity requirements.