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

INVESQUE INC.

Years ended December 31, 2024 and 2023

KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Telephone 416 777 8500
Fax 416 777 8818

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Invesque Inc.

Opinion

We have audited the consolidated financial statements of Invesque Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the fair value of investment properties

Description of the matter

We draw attention to Notes 1(g)(i), 2(b), and 6 of the financial statements. The Entity uses the fair value model to account for investment properties, using primarily a direct capitalization income approach or a discounted cash flow approach. The estimated fair value of investment properties is $207,526 thousand. Significant assumptions used when determining the fair value of investment properties include:

- Overall capitalization rates and stabilized future cash flows for each property valued using the direct capitalization income approach.
- Future cash flows over the holding period, terminal capitalization rates and discount rates for each property valued using the discounted cash flow approach.

Why the matter is a key audit matter

We identified the evaluation of the fair value of investment properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of investment properties and the high degree of estimation uncertainty in determining the fair value of investment properties. Additionally, significant auditor judgment and involvement of those with specialized skills and knowledge were required in evaluating the results of our audit procedures due to the sensitivity of the fair value of investment properties to minor changes in significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a selection of investment properties valued using the direct capitalization approach:

- We compared stabilized future cash flows to the actual historical cash flows for each investment property. We took into account the changes in conditions and events affecting the investment properties to assess the adjustments, or lack of adjustments, made by the Entity in arriving at those stabilized future cash flows.
- We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating overall capitalization rates. These rates were evaluated by comparing them to published reports of real estate industry commentators taking into consideration the features of the specific investment property.

For a selection of investment properties valued using the discounted cash flow approach:

- We compared future cash flows over the holding period to the actual historical cash flows for each investment property. We took into account the changes in conditions and events affecting the investment properties to assess the adjustments, or lack of adjustments, made by the Entity in arriving at those future cash flows over the holding period.
- We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating terminal capitalization rates and discount rates. These rates were evaluated by comparing them to published reports of real estate industry commentators taking into consideration the features of the specific investment property.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2024 Annual Report".

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

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

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled “2024 Annual Report” is expected to be made available to us after the date of this audit report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Michael Kavanagh.

Toronto, Canada

March 20, 2025

INVESQUE INC.

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

		December 31, 2024		December 31, 2023
Assets				
Current assets:				
Cash	$	18,157	$	10,745
Tenant and other receivables (note 3)		6,978		7,860
Property tax receivables		2,064		6,382
Derivative instruments (note 11)		366		1,023
Loans receivable (note 4)		3,587		965
Assets held for sale (notes 7, 15 and 16)		315,254		10,337
Other assets (note 5)		6,446		9,588
		352,852		46,900
Non-current assets:				
Loans receivable (note 4)		7,838		11,887
Derivative instruments (note 11)		224		3,004
Investments in joint ventures (note 8)		39,591		45,023
Investment properties (note 6)		207,526		369,932
Property, plant and equipment, net (notes 7 and 15)		27,796		349,323
Other assets (note 5)		1,393		2,214
		284,368		781,383
Total assets	$	637,220	$	828,283
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	12,075	$	17,296
Accrued real estate taxes		3,862		7,086
Credit facilities (note 9)		219,315		216,015
Mortgages payable (notes 10 and 15)		73,009		63,830
Other liabilities (note 13)		5,241		3,712
Liabilities related to assets held for sale (notes 15 and 16)		98,987		457
		412,489		308,396
Non-current liabilities:				
Credit facilities (note 9)		—		120,000
Mortgages payable (note 10)		75,215		152,789
Derivative instruments (note 11)		47		927
Convertible debentures (note 12)		—		35,611
Debentures (note 12)		27,300		—
Commonwealth preferred unit liability (note 15)		—		58,348
Deferred tax liability (note 25)		—		1,605
Other liabilities (note 13)		2,328		3,504
Non-controlling interest liability		669		517
		105,559		373,301
Total liabilities		518,048		681,697
Shareholders' equity:				
Common share capital (note 17)		599,827		518,370
Preferred share capital (note 17)		—		85,389
Contributed surplus		25,418		400
Equity component of convertible instruments		2,094		9,826
Exchangeable units		867		2,049
Cumulative deficit		(505,454)		(469,317)
Accumulated other comprehensive loss		(3,580)		(131)
Total shareholders' equity		119,172		146,586
Subsequent events (note 31)				
Total liabilities and shareholders' equity	$	637,220	$	828,283

See accompanying notes to these consolidated financial statements.

INVESQUE INC.

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

	Year ended December 31,	
	2024	2023
Revenue:		
Tenant rental revenue (note 19)	$ 21,864	$ 44,868
Resident rental and related revenue (note 19)	136,895	140,371
Lease revenue from joint venture arrangements (note 8)	3,911	3,511
Other revenue	5,199	4,079
	167,869	192,829
Other income	1,500	1,745
Interest income from loans receivable	1,076	1,396
Expenses (income) and fair value adjustments:		
Direct property operating expenses (note 20)	99,163	105,713
Depreciation and amortization expense (note 7)	13,256	15,584
Net finance costs from operations (note 21)	49,694	31,244
Real estate property tax expense	4,061	10,194
General and administrative expenses (note 22)	21,770	19,610
Transaction costs, net	1,741	787
Allowance for expected credit losses (note 21)	4,011	15,732
Change in non-controlling interest liability	805	242
Change in fair value of investment properties - IFRIC 21	—	46
Change in fair value of investment properties (note 6)	4,147	64,670
Impairment of property, plant and equipment (note 7)	3,095	8,783
Change in fair value of financial instruments (note 21)	(799)	9,676
Loss (gain) on property, plant and equipment transactions	640	(22)
	201,584	282,259
Share of loss from joint ventures (note 8)	(6,194)	(4,133)
Loss before income taxes	(37,333)	(90,422)
Income tax recovery:		
Deferred income tax recovery (note 25)	1,605	312
Net loss from continuing operations	$ (35,728)	$ (90,110)
Net loss from discontinued operations (note 16)	(409)	(9,130)
Net loss	(36,137)	(99,240)
Other comprehensive income (loss):		
Items to be reclassified to net income (loss) in subsequent periods		
Unrealized gain (loss) on translation of foreign operations	(3,449)	1,049
	(3,449)	1,049
Total comprehensive loss	$ (39,586)	$ (98,191)
Loss from continuing operations per share (note 18):		
Basic and diluted	$ (0.58)	$ (1.59)
Loss per share (note 18):		
Basic and diluted	$ (0.59)	$ (1.75)

See accompanying notes to these consolidated financial statements.

INVESQUE INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of U.S. dollars)
Years ended December 31, 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	—	—	—	—	—	—	(36,137)	—	(36,137)
Other comprehensive income (loss)	—	—	—	—	—	—	—	(3,449)	(3,449)
Cancellation of exchangeable units (note 4)	—	—	—	—	—	(1,182)	—	—	(1,182)
Convertible debenture modifications	13,349	—	—	7,732	(7,732)	—	—	—	13,349
Common shares issued on settlement of awards granted under the deferred share incentive plan (note 17)	5	—	—	—	—	—	—	—	5
Preferred share exchange (note 17)	68,103	—	(85,389)	17,286	—	—	—	—	—
Balance, December 31, 2024	$ 599,827	$ —	$ —	$ 25,418	$ 2,094	$ 867	$ (505,454)	$ (3,580)	$ 119,172

	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	—	—	—	—	—	—	(99,240)	—	(99,240)
Other comprehensive income (loss)	—	—	—	—	—	—	—	1,049	1,049
Common shares purchased and cancelled under NCIB	(161)	—	—	—	—	—	—	—	(161)
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	4,038	—	—	—	—	—	—	—	4,038
Common shares issued for equity settled deferred shares	1,059	(1,059)	—	—	—	—	—	—	—
Equity component of convertible debentures	4,356	—	—	—	4,583	—	—	—	8,939
Balance, December 31, 2023	$ 518,370	$ —	$ 85,389	$ 400	$ 9,826	$ 2,049	$ (469,317)	$ (131)	$ 146,586

See accompanying notes to these consolidated financial statements.

INVESQUE INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
Years ended December 31, 2024 and 2023

	Year ended December 31, 2024	Year ended December 31, 2023
Cash flows from (used in) operating activities:		
Net loss	$ (36,137)	$ (99,240)
Items not involving cash and other items:		
Fair value adjustment of investment properties (notes 6 and 16)	3,303	71,164
Fair value adjustment of financial instruments (note 11)	(799)	(14,214)
Impairment of property, plant and equipment (note 7)	3,095	8,783
Transaction costs arising from dispositions	1,778	799
Depreciation and amortization expense (note 7)	13,256	15,584
Allowance for expected credit losses (note 21)	4,174	16,135
Straight-line rent	(1,180)	(2,856)
Amortization of tenant inducements	267	260
Net finance costs from operations (notes 16 and 21)	50,449	56,070
Interest income on loans receivable	(1,076)	(1,396)
Change in non-controlling interest liability	805	242
Loss/(gain) on sale of property, plant and equipment	640	(22)
Share of loss (income) from joint ventures (note 8)	6,194	4,133
Deferred income tax recovery (note 25)	(1,605)	(312)
Interest paid	(36,554)	(37,385)
Interest income received	209	774
Debt extinguishment costs paid	(583)	(3,482)
Change in non-cash operating working capital:		
Tenant and other receivables	530	(9,824)
Accounts payable and accrued liabilities	(267)	1,137
Deferred revenue	(296)	430
Other assets	4,738	(780)
Other liabilities	1,646	1,218
Accrued real estate taxes	(3,314)	(1,187)
Cash provided by operating activities	$ 9,273	$ 6,031
Cash flows provided by (used in) financing activities:		
Proceeds from credit facilities	$ —	$ 2,660
Payments on credit facilities (note 14)	(116,600)	(181,886)
Debt issuance costs paid	(1,339)	(1,471)
Proceeds from mortgages (note 14)	53,904	98,276
Payments of mortgages (note 14)	(86,653)	(68,607)
Repayment of lease liabilities	(446)	(431)
Redemption of convertible debentures (note 14)	—	(4,828)
Payment for interest rate swap contract	(3,021)	(6,369)
Payment for settlement of interest rate swap contract	(709)	—
Proceeds from settlement of interest rate swap	790	8,003
Payment for repurchase of common shares (note 17)	—	(163)
Payment for repurchase of convertible debentures (note 14)	—	(100)
Cash used in financing activities	$ (154,074)	$ (154,916)
Cash flows from (used in) investing activities:		
Additions to investment properties	$ (1,136)	$ (8,517)
Proceeds from dispositions of investment properties, net (note 6)	85,962	92,300
Additions to property, plant and equipment	(4,873)	(5,814)
Proceeds from dispositions of property, plant and equipment	—	23
Proceeds from dispositions of assets held for sale, net	71,520	49,872
Proceeds from sale of minority interest in investment property		210
Distributions from joint ventures (note 8)	1,553	2,442
Contributions to joint ventures (note 8)	(2,387)	(2,500)
Distributions to non-controlling interest partners	(936)	(492)
Contributions from non-controlling interest partners	67	346
Issuance of loans receivable	(2,595)	(7,457)
Receipts from loans receivable	5,038	11,638
Cash provided by investing activities	$ 152,213	$ 132,051
Increase (decrease) in cash	7,412	(16,834)
Cash, beginning of year	10,745	27,579
Cash, end of year	$ 18,157	$ 10,745

See accompanying notes to these consolidated 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 assisted living, memory care, independent living, skilled nursing and medical office properties, which are operated 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 December 31, 2024, the Company owned interests in a portfolio of 53 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, 21 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 December 31, 2024. 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 measures are underway to address their repayment or extension.

Corporate Credit Facility Requirements

The Company has the right and option under the credit agreement to extend the maturity date for two consecutive six-month periods, subject to providing written notice of the request to the lender, the payment of an extension fee, demonstrating compliance with financial covenants, and reducing the outstanding balance below $35,000. On March 17, 2025, the outstanding balance had been reduced to below $35,000, primarily through the completion of refinancings, as well as additional repayments using cash on hand. Subsequent to the repayment, the Company executed and delivered the first extension request to the lender, which extends the maturity date from March 31, 2025 to September 30, 2025. The Company will continue to pursue strategic sales of assets and refinancings to pay down the remaining outstanding balance prior to maturity, however the Company believes it will qualify for the second six-month extension made available by the lender, if deemed necessary, as all conditions noted above are expected to continue to be met.

Commonwealth Credit Facility Requirements

During the year, the Company successfully extended the maturity of the Commonwealth Facility by one year to August 1, 2025 (the "First Extended Maturity Date"). The Commonwealth Facility also provides for a second one-year extended maturity date to August 1, 2026, subject to meeting certain conditions related to financial covenants such as a minimum debt service coverage ratio and a minimum project yield. As of December 31, 2024, the Company believes the conditions for a further extension will be met. Furthermore, as described in note 15, a portfolio of 20 seniors housing properties are subject to an executed purchase and sale agreement, in which the net sales proceeds are expected to be used to repay the Commonwealth Facility upon the completion of the sale.

Working Capital Requirements

The Company expects to meet its working capital requirements with respect to accounts payable and accrued liabilities through cash on hand and operating cash flows. As at December 31, 2024, current liabilities totaled $412,489, and current assets totaled $352,852, resulting in a working capital deficit of $59,637 (December 31, 2023 - $308,396, $46,900 and $261,496, respectively). Excluding secured debt (being credit facilities and mortgages payable) and assets held for sale and liabilities related to assets held for sale, current liabilities totaled $21,178, and current assets totaled $37,598, resulting in a working capital surplus of $16,420.

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.

(b) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board. All of the Company's subsidiaries and joint ventures adhere to the same accounting policies.

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 disclosures for the year ended December 31, 2023 have been reclassified in the current year and are considered immaterial to the prior period financial statements. Specifically, within the notes to the consolidated financial statements, mortgages payable and credit facilities, the amount of fixed versus variable interest rate debt has been reclassified and adjusted in order to reflect the contractual terms of the separate underlying debt instrument, without consideration of the impact of interest rate derivatives, in accordance with IAS 32, Financial instruments: presentation. In note 8, Joint arrangements, within the information related to mortgages payable reported by the Company's joint ventures, $76,221 has been reclassified from fixed to variable interest rate debts such that the adjusted amounts of fixed and variable rate debts are $6,352 and $95,035 respectively, as compared to the amounts reported in the Company’s prior year consolidated financial statements of $82,573 and $18,814 respectively. In note 10, Mortgages payable, $74,181 has been reclassified from fixed to variable interest rate mortgages such that the adjusted amounts of fixed and variable rate debts are $61,317 and $152,700 respectively, as compared to the amounts reported in the Company’s prior year consolidated financial statements of $135,498 and $78,519, respectively.

In addition, the Company has elected to reclassify gains arising from modifications of convertible debentures totaling $23,890 from a change in fair value of financial instruments in the comparative period, to net finance costs from operations in these financial statements in order to reflect the nature of these costs given the relationship to financial liabilities under IFRS 9, Financial instruments. The remaining amount previously reported as part of the change in fair value of convertible debentures of ($246) has been included in the accretion of fair value adjustment on convertible debentures. The amount reported in the Company’s prior year consolidated financial statements within change in fair value of convertible debentures was $23,644.

These consolidated financial statements were approved by the Board of Directors of the Company and authorized for issuance on March 20, 2025.

(c) Discontinued operations:

The results of operations of the Company's medical office building segment are classified as discontinued operations in these financial statements (note 16). 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 December 31, 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 the estimated fair value of investment properties in the period.

(d) Basis of measurement:

These consolidated financial statements have been prepared on a historical cost basis, except for investment properties, loans receivable, derivative financial instruments and deferred shares, which are measured at fair value through profit and loss ("FVTPL").

(e) Principles of consolidation:

(i) Transactions eliminated on consolidation:

The consolidated financial statements comprise the financial statements of the Company and its significant subsidiaries as of December 31, 2024, including Invesque International Holdings Inc., Invesque US Holdings Inc., Invesque Holdings, LP, Foxhound Holdings, LLC, and project specific limited partnerships. All intercompany transactions and balances are eliminated on consolidation.

(ii) Joint arrangements:

A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the specific assets and obligations for the liabilities, relating to the arrangement.

These consolidated financial statements include the Company's proportionate share of each of the assets, liabilities, revenue and expenses of joint operations on a line-by-line basis. Joint ventures are included in the Company's consolidated financial statements as investments accounting for under the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition changes in the net assets of the joint venture. The Company's share of joint venture profit or loss is included in the consolidated statements of loss and comprehensive loss for the period.

(f) Functional and presentation currency:

The consolidated financial statements are presented in U.S. dollars, which is the functional and presentational currency of the Company.

Assets and liabilities of operations having a functional currency other than the U.S. dollar are translated at the rate of exchange at the consolidated statement of financial position dates. Revenue and expenses are translated at average rates for the year, unless exchange rates fluctuated significantly during the year, in which case the exchange rates at the dates of the transactions are used. Gains or losses on translating a foreign operation are included in other comprehensive loss ("OCI") as a component of equity.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. Foreign currency denominated monetary assets and liabilities are translated using the prevailing rate of exchange at the consolidated statement of financial position dates. Gains and losses on translation of monetary items are recognized as general and administrative expenses in the consolidated statements of loss and comprehensive loss.

(g) Use of estimation and measurement uncertainty:

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Measurement uncertainty arising from estimates and assumptions that have a significant risk of resulting in a material adjustment in the year ended December 31, 2024 and 2023 are as follows:

(i) Investment properties:

The significant assumptions used when determining the fair value of investment properties are overall capitalization rates and stabilized future cash flows for each property valued using the direct capitalization income approach, and future cash flows over the holding period, terminal capitalization rates and discount rates for each property valued using the discounted cash flow approach. The overall capitalization rates, terminal capitalization rates and discount rates applied are reflective of the characteristics, location and market of each investment property. The stabilized future cash flows, or future cash flows over the holding period, of each investment property are based upon net operating income, which includes contractual lease revenues for triple-net leased properties and projected results of operations for owner-occupied properties.

Management determines the estimated fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts. As part of Management’s internal valuation program, the Company also considers external valuations performed by independent national real estate valuation firms for a cross-section of properties that represent different geographical locations across the Company’s portfolio and updates, as deemed necessary, the valuation models to reflect current market data.

(ii) Loans receivable:

In determining the amount of expected credit losses ("ECLs"), the Company's significant assumptions include the assessment of probability of default and loss given default. The determination takes into account different factors and varies by nature of investment.

The Company considers reasonable and supportable information that is relevant and available without undue cost or effort. Management considers past events, current market conditions and reasonable forward-looking supportable information about future economic conditions. In assessing information about possible future economic conditions, management utilized multiple economic scenarios including a base case, which represents the most probable outcome and is consistent with management's view of the financial asset. In considering the lifetime of a loan, the contractual period of the loan, including prepayment, extension and other options is generally used.

The estimation of expected credit losses also includes assumptions about local real estate market conditions, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events.

(iii) Impairment of property, plant and equipment:

The Company makes a determination at each reporting date if any events have occurred that would indicate property, plant and equipment may be impaired. If impairment indicators exist, management estimates the underlying assets' recoverable amount based on future cash flows and capitalization and discount rates in order to determine whether an impairment loss should be recognized.

(iv) Equity component of convertible debentures:

The Company estimated the equity component of convertible debentures upon issuance and subsequent amendments of terms. The estimation took into account the option value of the shares, the market price of the debentures at the time of issuance or amendment, and assumptions relating to market volatility and credit spread. These assumptions were based in part from information provided by third party financial institutions. The Company then accretes the equity component throughout the length of the convertible debenture terms.

(v) Property taxes receivable:

In determining the amount of expected credit losses on property taxes receivable, the Company's significant assumptions include the assessment of probability of payment, creditworthiness of the tenant, estimated future cash flows of the tenant, anticipated results of pending litigation, the nature of anticipated property disposition transactions, risk of tenant bankruptcy, and various other factors.

(vi) Other

Estimates are also made in the determination of the fair value of financial instruments (note 6) and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Company to its counterparties, the credit risk of the Company's counterparties, the estimated future cash flows and discount rates.

(h) Critical judgments:

Significant judgments made in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Accounting for leases as lessor:

The Company uses judgment regarding the implications associated with the present value of lease payments, the fair value of assets and the determination of the lease term in assessing the classification of its leases as operating leases, in particular with long-term leases in single operator properties. The Company has determined that all of its leases are operating leases.

(ii) Accounting for acquisitions:

Management must assess whether an acquisition should be accounted for as an asset purchase or business combination. This assessment impact includes the accounting treatment of transaction costs and whether or not goodwill should be recognized.

(iii) Componentization of property, plant and equipment:

The Company uses judgment regarding the value that is allocated to various components of property, plant and equipment upon initial acquisition.

(iv) Loans receivable:

The Company uses judgment in the evaluation of changes in credit risk to determine the staging of the loans receivable. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which would require an increase or decrease in the allowance for ECLs.

(v) Liquidity assessment and going concern:

Assessing whether events or conditions represent the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, including the judgements and estimation involved with securing replacement financing, sales of assets, budgeted future operating cash flows and impact on compliance with applicable loan and mortgage covenants and requirements.

2. Material accounting policies:

(a) Cash:

Cash consists of cash on hand and highly liquid marketable investments with an original maturity of 90 days or less at their date of purchase and are stated at cost, which approximates fair value.

(b) Investment properties:

Investment properties are held to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business. On acquisition, investment properties are initially recorded at cost, including transaction costs. Subsequent to initial recognition, the Company uses the fair value model to account for investment properties under International Accounting Standard ("IAS") 40, Investment Property. Under the fair value model, investment properties are recorded at fair value, which is determined based on available market evidence, at the statement of financial position date. Related fair value gains and losses are recorded in profit or loss in the period in which they arise.

Subsequent capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably.

Investment property is classified as held for sale when the property is available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of investment properties, its sale is highly probable and expected to be completed within one year. Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Prior to its disposal, the carrying value of the investment property is adjusted to reflect its fair value. This adjustment is recorded as a fair value gain (loss). Any remaining gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

(c) Property, plant, and equipment:

Property, plant, and equipment includes land; buildings; and furniture, fixtures and equipment ("FFE"), which are measured at cost less accumulated depreciation and accumulated impairment losses.

Significant parts of the buildings are accounted for as separate components of the property, based on management's

judgment of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization. Significant components include the structure, roof, electrical/HVAC systems, windows and doors, and exterior landscaping. The cost of replacing a major component of a building is recognized in the carrying amount of the building if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of ongoing repairs and maintenance of the properties are recognized in profit or loss as incurred.

Depreciation is recorded in profit or loss on a straight-line basis over the useful lives of the assets. Estimated useful lives and residual values were determined based on current facts and experience and take into consideration the anticipated physical life of the asset and current and forecasted demand. The rates and methods used are reviewed annually at year end to ensure they continue to be appropriate, and are also reviewed in conjunction with impairment testing. The following are the estimated maximum useful lives of existing property, plant, and equipment:

Components:	
Building - Structure	25-39 years
Building - Roof	15-25 years
Building - Electrical/HVAC systems	15-25 years
Building - Windows and doors	10-15 years
Building - Exterior landscaping	10-15 years
Furniture, fixtures, and equipment	2-5 years

Gains/losses on disposition of property, plant, and equipment are recognized in profit or loss in accordance with the requirements for determining when applicable performance obligations have been satisfied under IFRS 15, Revenue from Contracts with Customers ("IFRS 15").

(d) Impairment of property, plant, and equipment:

The carrying amount of the Company's property, plant, and equipment is assessed at each reporting date to determine if any events have occurred that would indicate the assets may be impaired. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognized immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of (a) fair value less costs to sell, and (b) value in use. The determination of recoverable amounts can be significantly impacted by estimates related to current market valuations, current and future economic conditions in the geographical markets of the assets, and management's strategic plans within each of its markets.

(e) Assets held for sale:

Assets, or disposal groups comprising assets and liabilities, are categorized as held-for-sale when the asset or disposal group is available for sale in its present condition, and the sale is highly probable. For this purpose, a sale is highly probable if management is committed to a plan to achieve the sale; there is an active program to dispose of the assets of the disposal group; the asset or disposal group is being actively marketed at a reasonable price; the sale is anticipated to be completed within one year from the date of classification; and it is unlikely there will be changes to the plan. Immediately before classification as held-for-sale, the assets, or components of the disposal group are remeasured in accordance with the Company’s accounting policies and are subsequently measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss until the completion of sale.

(f) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of the fair value disclosures included herein, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the associated level of the fair value hierarchy as explained above.

(g) Financial instruments:

Financial instruments are generally measured at fair value on initial recognition. The classification and measurement of financial assets consists of the following categories: (i) measured at amortized cost, (ii) FVTPL, or (iii) fair value through other comprehensive income ("FVTOCI"). Financial assets classified at amortized cost are measured using the effective interest method. Financial assets classified as FVTPL are measured at fair value with gains and losses recognized in the consolidated statements of loss and comprehensive loss. Financial assets classified as FVTOCI are measured at fair value with gains or losses recognized through other comprehensive income (loss), except for gains and losses pertaining to impairment or foreign exchange recognized through profit or loss.

The classification and measurement of financial liabilities consists of the following categories: (i) measured at amortized cost and (ii) FVTPL. Financial liabilities classified at amortized cost are measured using the effective interest method. Financial liabilities classified as FVTPL are measured at fair value with changes in fair value attributable to changes in the credit risk of the liability presented in other comprehensive income, and the remaining

amount of change in fair value presented in the consolidated statements of loss and comprehensive loss.
The following summarizes the Company's classification of financial instruments:

Financial assets and liabilities	**Measurement**
Cash	Amortized cost
Tenant and other receivables	Amortized cost
Property tax receivables	Amortized cost
Derivative instruments	FVTPL
Loans receivable	Amortized cost/FVTPL
Accounts payable and accrued liabilities	Amortized cost
Accrued real estate taxes	Amortized cost
Credit facilities	Amortized cost
Mortgages payable	Amortized cost
Convertible debentures	Amortized cost
Debentures	Amortized cost
Commonwealth preferred unit liability	Amortized cost

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes a financial liability when, and only when, the Company’s obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized through profit or loss.

The Company adopted the practical expedient to determine ECLs on tenant and other receivables using a provision matrix based on historical credit loss experiences adjusted for current and forecasted future economic conditions to estimate lifetime ECL. Impairment losses are recorded in the consolidated statements of loss and comprehensive loss with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts.

Transaction costs other than those related to financial instruments classified as FVTPL, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the effective interest method. These costs include discounts or premiums relating to assumed debt, fees and commissions paid to agents, brokers, advisers, lenders and insurers, transfer taxes and duties.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

i. Convertible debentures:

The convertible debentures were compound financial instruments as they contained both a liability and an equity component.

At the date of issuance, the liability component of convertible debentures was recognized at its estimated fair value of a similar liability that does not have an equity conversion option and the residual is allocated to

the equity component. Any directly attributable transaction costs were allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the convertible debenture was measured at amortized cost using the effective interest rate method. The equity component was not remeasured subsequent to initial recognition and would have been transferred to share capital if the conversion option was exercised, or, if unexercised, at maturity. Interest, losses and gains relating to the financial liability were recognized in income and comprehensive income.

ii. Debentures:

At the date of issuance, the debentures were recognized at their estimated fair value, which was deemed to be the same as the par value. Any directly attributable transaction costs, interest, losses and gains relating to this financial liability were recognized in profit or loss.

iii. Commonwealth preferred unit liability

The Commonwealth preferred unit liability is a compound financial instrument as it contains both a liability and an equity component. As of December 31, 2024, the Company has classified the Commonwealth preferred unit liability within liabilities for assets held for sale.

At the date of issuance, the liability component of Commonwealth preferred unit liability is recognized at its estimated fair value of a similar liability that does not have an equity conversion option and the residual is allocated to the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the Commonwealth preferred unit liability is measured at amortized cost using the effective interest rate method. The equity component is not remeasured subsequent to initial recognition and will be transferred to share capital when the conversion option is exercised, or, if unexercised, at maturity. Interest, losses and gains relating to the financial liability are recognized in income and comprehensive income.

iv. Impairment of financial assets:

The Company recognizes loss allowances for ECL on financial assets measured at amortized cost, unfunded loan commitments and financial guarantee contracts. The Company applies a three-stage approach to measure allowance for credit losses. The loss allowance for performing loans which have not experienced a significant increase in credit risk since initial recognition (Stage 1) is equal to a year of expected credit losses. The loss allowance for loans which have experienced a significant increase in credit risk since initial recognition (Stage 2) or are credit impaired (Stage 3) equals lifetime expected credit losses.

The determination of a significant increase in credit risk takes into account different factors and varies by nature of investment. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due or certain criteria are met which are specific to the individual borrower based on judgment. The Company considers a financial asset to be credit impaired when the borrower is more than 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest or when the Company has commenced enforcement remedies available to it under its contractual agreements.

Loss allowances for ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive) and incorporate significant assumptions including the probability of default as well as the estimated loss given default. ECLs are discounted at the effective interest rate of the financial asset.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over

which the Company is exposed to credit risk.

The determination of ECLs of a collateralized impaired loan reflects the expected realization of the underlying security, net of expected costs and any amounts legally required to be paid to the borrower.

When determining the allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. Management considers past events, current market conditions and reasonable forward-looking supportable information about future economic conditions. In assessing information about possible future economic conditions, management utilized multiple economic scenarios including a base case, which represents the most probable outcome and is consistent with management's view of the financial asset. In considering the lifetime of a loan, the contractual period of the loan options is generally used.

The estimation of ECLs also includes assumptions about local real estate market conditions, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairment are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary.

v. Derivative instruments:

The Company uses derivative financial instruments to manage interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

Derivative financial instruments, including embedded derivatives that must be separately accounted for, are initially valued at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized immediately in profit or loss.

(h) Revenue recognition:

The Company accounts for its leases as operating leases given that it has retained substantially all of the risk and benefits of ownership.

i. Lease revenue from third party operators and commercial tenants:

The Company earns revenue from tenants, the nature of which is from various sources consisting of rent earned under lease agreements, property tax and operating cost recoveries and other incidental income. Revenue from lease components is recognized on a straight-line basis over the lease term and includes the recovery of property taxes and insurance. Revenue recognition commences when a tenant has the right to use the premises and is recognized pursuant to the terms of the lease agreement. Payments are due at the beginning of each month and any payments made in advance of scheduled due dates are deferred.

Revenue related to the services component of the Company’s leases is accounted for in accordance with IFRS 15. These services consist primarily of utilities, cleaning and property maintenance costs for which the revenue is recognized over time, typically as the costs are incurred, which is when the services are provided.

ii. Resident leases

The Company charges for the rental of accommodation and care services provided to residents. Base rent amounts are allocated to lease components based on relative stand-alone selling prices. The stand-alone selling prices of the rental component is determined using an adjusted market assessment approach and the stand-alone selling price of the care services components are determined using both adjusted market

assessment and expected cost plus a margin approaches.

Revenue from rental components is recognized on a straight-line basis over the lease term. Revenue recognition commences when a resident has the right to use the property and revenue is recognized pursuant to the terms of the lease agreement. Payments are due at the beginning of each month and any payments made in advance of scheduled due dates are deferred.

Revenue related to the care service components of the Company's leases is accounted for in accordance with IFRS 15. These services consist primarily of the provision of meals, nursing services, housekeeping and laundry services, programs, amenities and the recovery of utilities and property maintenance costs and are recognized over time, typically on a monthly basis, which is when the services are provided. Payments are due at the beginning of each month and any payments made in advance of scheduled due dates are recorded as contract liabilities.

iii. Lease revenue from entities in which the Company has a joint venture interest:

The Company earns revenue under lease arrangements with operating entities that hold underlying properties which are jointly owned with Autumnwood Lifestyles Inc. ("Autumnwood") (note 8) and reported on a proportionately consolidated basis. The leases are accounted for as operating leases and lease revenue is recognized on a straight-line basis over the term of the underlying leases. Additional lease revenue is recognized when the Company earns distributions from the expansion operations per the terms of operating agreements.

(i) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in

the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents the right-of-use assets in "other assets" while lease liabilities are recorded separately and presented on the statement of financial position as "other liabilities".

ii. Short-term leases and leases of low value assets:

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

iii. As a lessor:

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. The Company has determined that when it acts as a lessor, its leases do not transfer substantially all of the risks and rewards incidental to ownership of the underlying assets and as a result they are classified as operating leases.

The Company recognizes lease payments received under operating leases as income on straight-line basis over the lease term.

(j) Employee benefits:

i. Short-term benefits:

Short-term employee benefit obligations, including vacation and bonus payments, are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities are recognized for the amounts expected to be paid within 12 months as the Company has an obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. Short-term employee benefits are recorded in accounts payable and accrued liabilities.

ii. Share-based payment plans:

The Company maintains a Deferred Share Incentive Plan (note 23) for its employees and directors. Cash-settled shares are fair-valued and changes in the amount payable are recognized through profit or loss with a corresponding change in liabilities. The awards are fair-valued on the basis of the share price at each reporting period and at the settlement date and the change in fair value on the amortized share-based compensation expense is recognized as compensation expense.

The grant-date fair value of equity-settled shares are amortized over the applicable vesting period as share-based compensation expense with a corresponding change in equity. The awards are valued based on the grant date fair value.

(k) Levies:

In accordance with IFRS Interpretations Committee ("IFRIC") 21, Levies ("IFRIC 21"), for its properties located in the United States, the Company recognizes the full amount of annual property tax liabilities at the point in time when the realty tax obligation is imposed and recognizes property tax recoveries at the time the tax obligation is satisfied.

(l) Income taxes:

Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss except to the extent it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(ii) Temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Judgement is required to assess the interpretation of tax legislation when recognizing and measuring current and deferred tax assets and liabilities. The impact of different interpretations and applications could potentially be material. The Company recognizes a tax benefit from an uncertain tax position when it is probable that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. If it is not probable that the uncertain tax treatment will be accepted, the tax uncertainty is measured based on the most likely amount of expected value, depending on whichever method better predicts the resolution of the uncertainty.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Management's estimate of future taxable profits and the recognition of deferred tax assets are reviewed at each reporting date and deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) IFRS amendments adopted in 2024:

(i) 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.

(n) IFRS standards and amendments issued but not yet effective:

(i) Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 that relate to classification of financial assets and accounting for settlement by electronic payments in the context of the classification and measurement requirements in IFRS 9. The potential impact may include, but is not limited to, a change in timing of recognition and derecognition of financial instruments in certain situations in which settlement of a financial instrument with another takes more than a day. Similarly, a change may be required for entities that derecognize both trade payable and cash on the payment initiation date even if the creditor has not yet received the cash. However, an accounting policy choice is available for derecognizing certain financial liabilities that are settled using an electronic payment system subject to certain criteria being met. The amendments will be effective January 1, 2026. The Company is currently assessing the impact of the new standard, but it is not expected to have a significant impact on the Company's consolidated financial statements.

(ii) IFRS 18: Presentation and Disclosure in Financial Statements to replace IAS 1: Presentation of Financial Statements and applies to annual reporting periods beginning on or after January 1, 2027. The new standard introduced the following key new requirements:

1. Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
2. Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements
3. Enhanced guidance is provided on how to group information in the financial statements

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Company is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

3. Tenant and other receivables:

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

	December 31, 2024	December 31, 2023
Tenant and other receivables, gross	$ 13,925	$ 12,012
Allowance for uncollectible receivables	(6,947)	(4,152)
Tenant and other receivables, net	$ 6,978	$ 7,860

The movement in the allowance in respect of tenant and other receivables during the year ended December 31, 2024 was as follows:

Balance, December 31, 2023	$ 4,152
Allowance	3,873
Balances written off from properties disposed of	(531)
Collections — recoveries	(547)
Balance December 31, 2024	$ 6,947

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 year ended December 31, 2024 is primarily due to allowances as a result of unpaid rent and escrows from three assisted living facilities in New York, as the Company exhausted all options for collection and is pursuing a sale transaction, and allowances as a result of real estate taxes paid on behalf of triple-net leased tenants. The change in allowance is also due to the addition of new tenant balances arising from considerations noted above and partially offset by tenant balances not recovered at properties disposed of during the year and individual tenant recoveries at owner-occupied properties.

4. Loans receivable:

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

Debtor	Loan Type	December 31, 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	3,901	3,016	March 31, 2023	July 31, 2025	10.0 %	— %
4 Pack Master Tenant, LLC	Loan receivable	1,219	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 %	— %
CCG Quartette Falls, LLC	Loan receivable	1,562	—	September 23, 2024	September 22, 2027	8.0 %	— %
Morrell Hulse	Loan receivable	1,988	—	December 10, 2024	December 1, 2028	8.0 %	— %
Accrued current and non-current interest		586	425				
Allowance for expected credit losses on loans receivable		(5,264)	(12,199)				
Carrying value of loans recorded at amortized cost		$ 8,821	$ 10,368				
Javelina Ventures, LLC	Loan receivable - FVTPL	2,604	2,484	December 31, 2018	[4]	5.0 %	— %
Carrying value of loans receivable		$ 11,425	$ 12,852				
Less current portion		3,587	965				
Non-current portion		$ 7,838	$ 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 was repaid when properties operated by Phoenix Senior Living were disposed of in 2023 and 2024.

(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.

$1,826 of the loans outstanding and $15 of the accrued current and non-current interest as at December 31, 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, $18 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 December 31, 2024 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Loans receivable, net of loan fees	$ 5,985	$ —	$ 8,100	$ 14,085
Allowance for losses on loans receivable	(59)	—	(5,205)	(5,264)
Loans receivable, net of allowances	$ 5,926	$ —	$ 2,895	$ 8,821

The changes in the gross loans receivable balance during the year ended December 31, 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	—	(7,863)	—	(7,863)
Stage 3	—	—	8,101	8,101
	$ 7,532	$ (1,021)	$ 16,056	$ 22,567
Issuances	5,593	1,039	—	6,632
Repayments	(5,627)	(379)	—	(6,006)
PIK interest	109	—	—	109
Current interest	—	361	—	361
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 December 31, 2024	$ 5,984	$ —	$ 8,101	$ 14,085

In March 2024, the Company and Ellipsis Real Estate Partners ("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 and as of December 31, 2024, 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 was recorded within net finance costs from operations in the statement of loss and comprehensive loss for the year ended December 31, 2024 and the Ellipsis loan receivable is $nil.

The increase in write off of gross loans receivable in the table above is primarily due to the Symcare loan ($7,955 principal balance) being fully written off as nonrecoverable. The other Symcare loan receivable ($3,648 principal balance) has been fully reserved for and transferred to Stage 3, however the recoverable amount has not been written off due to pending litigation with the responsible parties.

The changes in the allowance for credit losses during the year ended December 31, 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	38	177	915	1,130
Modification	629	—	—	629
Transfer to/(from)				
Stage 1	(2)	—	—	(2)
Stage 2	—	(4,288)	—	(4,288)
Stage 3	—	—	4,290	4,290
	$ 798	$ —	$ 13,160	$ 13,958
Write off of loans receivable and allowances	(728)	—	(7,955)	(8,683)
Non-cash settlement	(11)	—	—	(11)
Total allowance for credit losses as at December 31, 2024	$ 59	$ —	$ 5,205	$ 5,264

For the year ended December 31, 2024, a loss of $1,759, (year ended December 31, 2023 - $4,111) was recorded as part of the remeasurement in the allowance for credit losses on loans and interest receivable in the consolidated statements of loss and comprehensive loss. The modification of $629 in the above table, and corresponding write off, was a result of loan forgiveness in conjunction with the sales of two skilled nursing facilities during 2024 in accordance with the terms of the loan agreement (note 6).

5. Other assets:

	December 31, 2024		December 31, 2023	
Prepaid expenses	$	1,715	$	2,667
Security deposits and costs related to pending transactions		436		52
Escrow deposits held by lenders		3,225		5,709
Right-of-use assets		326		1,710
Bond assets		367		504
Profit participation investment		700		—
Other		1,070		1,160
	$	7,839	$	11,802
Current	$	6,446	$	9,588
Non-current		1,393		2,214
	$	7,839	$	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 and other loan requirements.

6. Investment properties:

(a) Investment properties:

	Number of Properties		Amount
Balance, December 31, 2022	37	$	538,591
Acquisitions of income property	1		4,351
Capital expenditures	—		7,654
Increase attributable to straight-line rents	—		2,873
Fair value adjustment	—		(64,670)
Amortization of tenant inducements	—		(243)
Sale of income properties	(8)		(121,000)
Foreign currency translation	—		2,376
Balance, December 31, 2023	30	$	369,932
Capital expenditures	—		578
Increase attributable to straight-line rents	—		1,180
Fair value adjustment	—		(4,147)
Amortization of tenant inducements	—		(242)
Sale of income properties	(7)		(88,499)
Transferred to assets held for sale (note 15)	(3)		(35,871)
Transferred to property, plant and equipment (note 7)	(3)		(28,583)
Foreign currency translation	—		(6,822)
Balance, December 31, 2024	17	$	207,526

At December 31, 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.

A breakdown of the aggregate fair value of investment properties independently appraised during each year, in accordance with the Company's policy, is as follows:

Year ended December 31, 2024			Year ended December 31, 2023		
Number of investment properties [1]		Fair value	Number of investment properties [2]		Fair Value
8	$	81,176	24	$	258,862

(1) The Company also appraised five joint ventures valued at $94,059 and one medical office building valued at $4,400 as part of the Company's internal appraisal policy.

(2) The Company also appraised two joint ventures valued at $21,727 as part of the Company's internal appraisal policy.

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 ($578 total for the year ended December 31, 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 December 31, 2024.

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 December 31, 2024 and December 31, 2023 are set out in the following table:

Year ended December 31, 2024					
Approach	**Fair Value**	**Input**	**Min**	**Max**	**Weighted Average**
Direct capitalization income	$ 102,068	OCR	8.00 %	8.00 %	8.00 %
Discounted cash flow	82,264	TCR	6.50 %	6.50 %	6.50 %
		IRR	8.00 %	8.00 %	8.00 %
Other (purchase option)	23,194	N/A	N/A	N/A	N/A
Total	$ 207,526				

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 December 31, 2024, valued using this approach:

		Change in stabilized future cash flows		
		(1.00)%	— %	1.00 %
Change in overall capitalization rate ("OCR")	(0.25)%	$ 2,238	$ 3,292	$ 4,345
	— %	$ (1,021)	$ —	$ 1,021
	0.25 %	$ (4,082)	$ (3,092)	$ (2,103)

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 December 31, 2024, valued using this approach:

		Change in discount rate ("IRR")		
		(0.25)%	— %	0.25 %
Change in terminal capitalization rate ("TCR")	(0.25)%	$ 3,363	$ 2,469	$ 1,588
	— %	$ 861	$ —	$ (857)
	0.25 %	$ (1,456)	$ (2,294)	$ (3,121)

b) Asset dispositions - year ended December 31, 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
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 properties were transferred to property, plant and equipment and are no longer included within investment properties on the consolidated statements of financial position. Subsequent to the transfer of the three properties to property, plant and equipment, the Company recorded impairment expense of $760 related to one property to reflect the estimated recoverable amount of the asset (note 7).

On September 23, 2024, the Company sold a skilled nursing facility in Chicago, Illinois for a sale price of $16,504, of which $451 from a prior sale was applied. Sale proceeds in excess of closing costs and cash proceeds were used to pay down a portion of the corporate credit facility.

c) Asset acquisitions - year ended December 31, 2023

	Carrollton, TX
Number of consolidated properties acquired:	1
Net assets acquired:	
Investment properties	$ 4,351
Working capital balances	(40)
	$ 4,311
Consideration paid/funded:	
Cash	621
Forgiveness of note receivable	3,690
	$ 4,311

On April 10, 2023, the Company acquired ownership of the memory care facility in Carrollton, Texas as part of a deed in lieu of foreclosure agreement with the debtor or borrower under the Carrollton Autumn Leaves LP note. The Company's assumption of ownership of the memory care facility was exchanged for $621 cash and forgiveness of the note receivable. In conjunction with the acquisition of the property, the Company, as landlord, entered into a triple-net lease with an affiliate of Constant Care Management Company ("Constant Care"). On August 7, 2023, the Company entered into a limited partnership agreement with Constant Care, selling a 20% interest in the property.

d) Asset dispositions - year ended December 31, 2023

	Illinois	Illinois
Properties sold:	7	1
Net assets disposed:		
Investment properties	$ 101,317	$ 19,683
Closing costs	(655)	(89)
Working capital	2,981	—
	$ 103,643	$ 19,594
Consideration received/funded:		
Cash	$ 92,300	$ 17,785
Issuance of loan receivable	3,648	—
Settlement of real estate taxes	7,695	1,809
	$ 103,643	$ 19,594

On June 1, 2023, the Company sold seven properties in Illinois for total consideration of $101,317. Cash in excess of closing costs was used to partially pay down the Company's corporate credit facility.

On July 1, 2023, the Company sold a skilled nursing facility in Chicago, Illinois for $19,683. Cash in excess of closing costs was used to partially pay down the Company's corporate credit facility.

7. Property, plant and equipment, net:

(a) Property, plant and equipment, net:

Property, plant and equipment consists of the following as at December 31, 2024 and 2023:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Total
Cost					
Balance, December 31, 2022	$ 25,037	$ 456,730	$ 15,146	$ 338	$ 497,251
Additions	—	2,588	2,964	262	5,814
De-recognition	—	(847)	(649)	—	(1,496)
Transfers	—	143	—	(143)	—
Assets transferred to held for sale	(505)	(4,774)	(203)	—	(5,482)
Sale of four Phoenix properties	(1,503)	(33,721)	(1,727)	(36)	(36,987)
Balance, December 31, 2023	$ 23,029	$ 420,119	$ 15,531	$ 421	$ 459,100
Additions	—	2,230	2,458	185	4,873
De-recognition	—	(189)	(498)	—	(687)
Assets transferred from investment property (note 6)	4,750	22,380	1,453	—	28,583
Transfers	—	381	—	(381)	—
Sale of seven Commonwealth properties	(3,998)	(71,825)	(3,372)	(2)	(79,197)
Assets acquired from acquisition of operations (note 6)	—	155	57	—	212
Assets transferred to held for sale (note 15)	(19,031)	(351,025)	(13,306)	(223)	(383,585)
Balance, December 31, 2024	$ 4,750	$ 22,226	$ 2,323	$ —	$ 29,299
Accumulated depreciation and impairment losses					
Balance, December 31, 2022	$ —	$ 97,186	$ 3,799	$ —	$ 100,985
Depreciation	—	12,530	3,054	—	15,584
De-recognition	—	(847)	(649)	—	(1,496)
Impairment loss	—	8,783	—	—	8,783
Assets transferred to held for sale (note 15)	—	(1,448)	(72)	—	(1,520)
Sale of four Phoenix properties	—	(11,552)	(1,007)	—	(12,559)
Balance, December 31, 2023	$ —	$ 104,652	$ 5,125	$ —	$ 109,777
Depreciation	—	11,021	2,235	—	13,256
De-recognition	—	(189)	(498)	—	(687)
Impairment loss	—	3,095	—	—	3,095
Sale of seven Commonwealth properties	—	(11,275)	(1,644)	—	(12,919)
Assets transferred to held for sale (note 15)	—	(106,862)	(4,157)	—	(111,019)
Balance, December 31, 2024	$ —	$ 442	$ 1,061	$ —	$ 1,503
Property, plant and equipment, net balance, December 31, 2023	$ 23,029	$ 315,467	$ 10,406	$ 421	$ 349,323
Property, plant and equipment, net balance, December 31, 2024	$ 4,750	$ 21,784	$ 1,262	$ —	$ 27,796

(b) Dispositions - year ended December 31, 2024

	South Carolina	Maryland (3), Virginia (3) and Tennessee (1)
Properties sold:	1	7
Net assets disposed:		
Property, plant and equipment sales proceeds	$ 3,975	$ 65,408
	$ 3,975	$ 65,408
Consideration received/funded:		
Cash	3,600	65,264
Transaction costs	263	845
Working capital	112	(1,631)
	$ 3,975	$ 64,478
Loss on sale:	$ —	$ (930)

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 used to pay down a portion of the corporate credit facility and received and held for use in operations by the Company. The property was classified as held for sale as of December 31, 2023, with a carrying value of $3,962.

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 maintain sufficient working capital. The properties were classified as held for sale as of September 30, 2024. Impairment expense of $1,406 was recorded in 2024 in respect of a Maryland property to reflect the estimated recoverable amount of the asset. An additional impairment expense of $926 was recorded in the year to reduce the carrying value to the approximate sales price less estimated closing costs.

(c) Dispositions - year ended December 31, 2023

	Georgia (2) and South Carolina (2)
Properties sold:	4
Net assets disposed:	
Property, plant and equipment sales proceeds	$ 25,097
	$ 25,097
Consideration received (paid):	
Cash	(262)
Transaction costs	350
Mortgage settlement	25,009
	$ 25,097

On November 1, 2023, the Company sold two properties in Georgia and two properties in South Carolina for a total sale price of $25,097 before closing costs. Proceeds were used to pay down the debt affiliated with the properties.

8. Joint arrangements:

As at December 31, 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[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 properties based on the equity contributed to the properties.

(3) These joint venture arrangements have been structured through separate legal entities whereby 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 Operator"), which under IFRS 11, Joint arrangements, are classified as joint ventures and are accounted for using the equity method. Invesque-Autumnwood Operator has 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 $$3,911 for the year ended December 31, 2024 (year ended December 31, 2023 - $3,511), were reported as lease revenue from joint ventures in the statements of loss and comprehensive loss. Invesque-Autumnwood Operator's 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 (the Heritage and Terra Bluffs 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.

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

	Year ended December 31, 2024	2023
Cash contributions to joint ventures	$ 2,387	$ 2,500
Distributions received from joint ventures	$ 1,553	$ 2,442

	December 31, 2024		December 31, 2023	
	Net assets	Company share of net assets	Net assets	Company share of net assets
Cash	$ 1,012	$ 639	$ 1,181	$ 881
Tenant and other receivables	2,368	1,822	2,676	2,087
Other	5,515	5,061	5,518	4,541
Current assets	8,895	7,522	9,375	7,509
Investment properties	189,632	152,644	190,353	150,592
Property, plant and equipment, net	1,369	397	1,417	708
Derivative instruments	—	—	1,085	896
Other non-current assets	9	8	11	10
Total assets	$ 199,905	$ 160,571	$ 202,241	$ 159,715
Accounts payable and accrued liabilities	$ 15,701	$ 11,117	$ 10,916	$ 8,898
Deferred revenue	780	643	645	530
Mortgages payable - current	35,944	30,827	9,146	7,345
Current liabilities	52,425	42,587	20,707	16,773
Mortgages payable - non-current	93,861	77,002	91,079	76,344
Construction loans	—	—	25,207	20,227
Other non-current liabilities	1,943	1,391	1,889	1,348
Total liabilities	$ 148,229	$ 120,980	$ 138,882	$ 114,692
Net assets	$ 51,676	$ 39,591	$ 63,359	$ 45,023

	Year ended December 31, 2024		Year ended December 31, 2023	
	Net loss at 100%	Company share of net loss	Net loss at 100%	Company share of net loss
Revenue	$ 70,741	$ 41,860	$ 61,515	$ 36,757
Other income	—	—	2,086	1,742
Property operating expense	63,452	35,307	55,565	31,629
Depreciation expense	—	—	2	1
Net finance costs	9,194	7,633	4,842	4,053
General and administrative expenses	39	30	43	28
Change in fair value of financial instruments	1,085	896	1,971	1,626
Change in fair value of investment properties	7,888	4,188	6,196	5,295
Net loss prior to distributions to owners	$ (10,917)	$ (6,194)	$ (5,018)	$ (4,133)

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 consolidated 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%:

	December 31, 2024	December 31, 2023
Mortgages at fixed rates:		(1)
Mortgages (principal)	$ 33,615	$ 6,352
Interest rates	6.99% to 8.00%	4.25 %
Weighted average interest rate	7.38 %	4.25 %
Mortgages at variable rates:		(1)
Mortgages (principal)	$ 97,351	$ 95,035
Interest rates	SOFR plus 2.05% to SOFR plus 4.50%	2.035% plus SOFR fixed at 1.95% to SOFR plus 4.00%
Weighted average interest rate	6.97 %	5.00 %
Blended weighted average rate	7.07 %	4.95 %

(1) Adjusted, refer to note 1(b).

9. 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.

	December 31, 2024	Borrowing rate at December 31, 2024	December 31, 2023	Borrowing rate at December 31, 2023
Credit Facility [(1)]	$ 44,975	7.43 %	$ 159,000	7.67 %
Credit Facility [(1)]	—	— %	24	7.95 %
Commonwealth Facility [(2)]	174,711	5.76 %	177,262	5.76 %
Finance costs, net	(371)	—	(271)	—
Carrying value	$ 219,315	6.10 %	$ 336,015	6.66 %
Less current portion	219,315		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 December 31, 2024, which is reflective of the in-place swapped rate and applicable credit spread. The interest rate swap matured February 1, 2025, while the facility matures August 1, 2025.

Future principal repayments of the credit facilities are as follows:

	Aggregate principal payments
2025	$ 219,686
2026 and thereafter	—
Total	$ 219,686

On March 5, 2024, the Company executed a consent and first amendment to the amended credit agreement ("first amendment”) for the Corporate Credit Facility, in which certain financial covenants were amended. Specifically, the minimum consolidated fixed charge ratio, the minimum liquidity requirement and the minimum assumed debt service Coverage ratio were reduced to allow for the Company to continue to pursue strategic sales of assets and refinancings. The Company remained in compliance with such covenants throughout the period.

The Commonwealth credit facility is expected to be settled in conjunction with the sale of all 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 six months of 2025, subject to purchaser due diligence and other contingencies (note 15).

10. Mortgages payable:

Mortgages payable consist of the following as at:

	December 31, 2024	December 31, 2023
Mortgages payable	$ 149,217	$ 214,017
Mark-to-market adjustment, net	182	4,823
Finance costs, net	(1,175)	(2,221)
Carrying value	$ 148,224	$ 216,619
Less current portion	73,009	63,830
Non-current portion	$ 75,215	$ 152,789

Mortgages payable are first charge mortgages secured and collateralized by investment properties and property, plant and equipment with a carrying value of $236,127 at December 31, 2024. Maturity dates on mortgages payable range from 2025 to 2049, and the weighted average years to maturity is 2.78 years at December 31, 2024.

Future principal payments on the mortgages payable as at December 31, 2024 are as follows:

	Regular principal payments	Principal due on maturity	Total principal payments	% of total principal payments
2025	$ 1,595	$ 76,446	$ 78,041	52 %
2026	1,409	11,204	12,613	8 %
2027	836	17,160	17,996	12 %
2028	838	2,857	3,695	2 %
2029	502	29,479	29,981	20 %
Thereafter	6,891	—	6,891	6 %
	$ 12,071	$ 137,146	$ 149,217	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 deposit 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 given covenant compliance is expected over twelve months after the reporting period.

$33,094 of outstanding mortgages as of December 31, 2024 are directly associated with properties in the Commonwealth - Foxhound portfolio. As per the purchase and sale agreement, the mortgages 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 consolidated statements of financial position, and not included in the balances shown in the above tables.

As of December 31, 2024, a mortgage with an outstanding balance of $5,323 is past due. The Company is working with the lender to obtain an extension. The Company expects to dispose of the property associated with the loan (note 16).

	December 31, 2024	December 31, 2023
Mortgages at fixed interest rates:		
Mortgages (principal)	$ 61,100	$ 61,317
Interest rates	2.55% to 12.00%	2.55% to 6.15%
Weighted average interest rate	5.56 %	4.06 %
Mortgages at variable rates[(1)]:		
Mortgages (principal)	$ 88,117	$ 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	7.51 %	6.97 %
Weighted average interest rate	6.71 %	6.14 %

(1) Weighted average interest rates include variable rate debt of $9,684 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 December 31, 2024	Stated interest rate	Interest rate swap / cap maturity	Debt maturity
$3,000 fixed swap at 8.1%	8.0 %	August 5, 2026	August 5, 2026
$6,684 rate cap at 5.5%	8.1 %	June 10, 2025	January 10, 2026

11. Derivative financial instruments:

(a) Derivative swaps and interest rate caps:

Derivative swaps and interest rate caps as at December 31, 2024 and 2023, and fair value adjustments during the period then ended, are detailed in the table below:

				Asset (liability) balance		Income (loss) for the year ended	
Swaps and Caps	Maturity date	Fixed rate	Notional amount	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 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]	March 31, 2025	SOFR fixed at 5.07%	—	—	(837)	652	(2,459)
Red Oak Mortgage Swap [3]	July 31, 2024	CORRA fixed at 3.82%	—	—	7	(7)	—
Commonwealth Credit Facility Swap [4]	August 1, 2024	SOFR fixed at 1.62%	—	—	—	—	(1,554)
Commonwealth Credit Facility Swap [4]	February 1, 2025	SOFR fixed at 3.50%	174,711	288	822	(2,661)	(950)
Charlottesville Mortgage Swap[5]	March 31, 2024	SOFR fixed at 2.96%	—	—	—	—	(677)
Christiansburg Mortgage Rate Cap[6]	July 1, 2028	SOFR capped at 2.00%	9,913	—	194	(374)	194
Merchants Bank of Indiana Mortgage Rate Cap[7]	June 10, 2025	SOFR capped at 2.00%	6,684	78	2,156	(1,287)	(819)
Carrollton Mortgage Swap	August 5, 2026	SOFR fixed at 5.02%	3,000	(47)	(90)	43	(90)
Wesbanco Mortgage Swaps [8]	May 10, 2029	SOFR fixed at 3.64%	20,438	224	—	224	—
Net carrying value and net fair value adjustments				$ 543	$ 2,252	$ (3,410)	$ (10,980)
Less current portion				366	1,023		
Non-current portion				$ 177	$ 1,229		
Derivative instruments asset				$ 590	$ 3,179		
Derivative instruments liability				(47)	(927)		
				$ 543	$ 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, August 2024 and November 2024 swaps with three-month maturities we re-contracted, for total premium costs of $2,126. The premium obligations resulting from swaps are included as part of finance costs.

(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 for $895. As of December 31, 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 15).

(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 interest rate swaps were contracted August 1, 2024 but are not effective until May 10, 2025.

(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 December 31, 2024, the prepayment embedded derivative assets have a fair value of $605 (December 31, 2023 - $848). For the year ended December 31, 2024, a fair value loss of $242 (year ended December 31, 2023 - $85 loss), 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 consolidated statements of financial position.

12. Debenture liabilities:

On November 26, 2024, the Company announced the approval of holders of the 2016 and 2018 Convertible Debentures to amend the terms of the debentures. The amendments resulted in the following:

1. The outstanding principal amount of the 2016 Convertible Debentures, plus interest accrued thereon, was exchanged on December 30, 2024, 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 $4,969; and
2. The outstanding principal amount of the 2018 Convertible Debentures, plus interest accrued thereon, was exchanged on December 30, 2024, 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 $8,380; and
3. Amended the definition of “Change of Control” to provide that the preferred share exchange (note 24) shall not constitute a “Change of Control”.

The amended debentures (the "2024 Debentures") are not convertible into common shares of the Company, incur interest of 9.75% per annum and will mature on December 30, 2027.

(a) 2016 Convertible Debentures

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

	December 31, 2024	December 31, 2023
Issued	$ —	$ 24,850
Issue costs, net of amortization and accretion of equity component	—	2,202
Fair value adjustment, net	—	(2,768)
Equity component, excluding issue costs and taxes	—	(4,254)
Modification and exchange for common shares	—	—
2016 Convertible Debentures	$ —	$ 20,030
Current	$ —	$ —
Non-current	—	20,030
2016 Convertible Debentures	$ —	$ 20,030

Interest costs of $1,576 related to the 2016 Convertible Debentures are recorded in financing costs for the year ended December 31, 2024 (December 31, 2023- $1,740) using the effective interest rate method (note 21).

On December 30, 2024, the 2016 Convertible Debenture were converted to 52,306,874 common shares with a value on the effective date of the modification of $4,969. The conversion, in addition to the issuance of the 2024 Debentures, resulted in a gain on extinguishment of $9,096 that has been recognized in the year within net finance costs from operations. The carrying value of the equity component of the convertible debentures was also reclassified to contributed surplus in the consolidated statement of changes in shareholders' equity as there is no longer a conversion feature.

(b) 2018 Convertible Debentures

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

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

Interest costs of $3,441 related to the 2018 Convertible Debentures are recorded in financing costs for the year ended December 31, 2024 (December 31, 2023- $3,110) using the effective interest rate method (note 21).

As a result of the substantive modifications of terms of the 2018 Convertible Debentures in May 2023, the amortized cost of the previously recorded liability was derecognized for an amount equal to its fair value, resulting in a gain on extinguishment of $8,690. The previously recorded equity component of the 2018 Convertible Debentures was transferred to share capital, and the fair value of the liability and equity components of the modified convertible debentures were recorded.

As a result of the substantive modifications of the terms of the 2018 Convertible Debentures in September 2023, the amortized cost of the previously recorded liability was derecognized for an amount equal to its fair value, resulting in a gain on extinguishment of $15,200. The previously recorded equity component of the 2018 Convertible Debentures was transferred to share capital, and the fair value of the liability and equity components of the modified convertible debentures were recorded.

On December 30, 2024, the 2018 Convertible Debenture were converted to 88,210,068 common shares with a value on the effective date of the modification of $8,380. The conversion, in addition to the issuance of the 2024 Debentures, resulted in a loss on extinguishment of $4,872 that has been recognized in the year within net finance costs from operations. The carrying value of the equity component of the convertible debentures was also reclassified to contributed surplus in the consolidated statement of changes in shareholders' equity as there is no longer a conversion feature.

(c) 2024 Debentures

The 2024 Debentures are comprised of $27,300 issued and outstanding debentures as of December 31, 2024. The par value and fair value as of the effective date of the modification were deemed to be equivalent.

13. Other liabilities:

Other liabilities are as follows:

		December 31, 2024		December 31, 2023
Deferred shares liability (note 23)	$	37	$	118
Security deposits received from tenants		289		730
Escrows collected from tenant		918		699
Deferred revenue		2,785		2,454
Lease liability		453		2,183
Severance liability (note 22)		1,809		—
Other		1,278		1,032
	$	7,569	$	7,216
Current	$	5,241	$	3,712
Non-current		2,328		3,504
	$	7,569	$	7,216

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

	Credit facilities	Mortgages payable	Convertible debentures	Debentures	Common-wealth preferred unit liability	Total
Balance, December 31, 2022	$ 514,001	$ 186,948	$ 64,508	$ —	$ 57,906	$ 823,363
Proceeds from financing activities	2,660	98,276	—	—	—	100,936
Repayments and refinancings	(179,472)	(65,512)	(4,928)	—	—	(249,912)
Scheduled principal payments	(2,414)	(3,095)	—	—	—	(5,509)
Financing costs paid	(5)	(1,432)	—	—	—	(1,437)
Amortizing of financing costs, mark to market adjustments, and accretion of equity components as applicable	1,245	535	10,766	—	442	12,988
Equity component of convertible debentures	—	—	(10,857)	—	—	(10,857)
Gain on debenture modification	—	—	(23,890)	—	—	(23,890)
Changes in foreign currency rates	—	899	12	—	—	911
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	(114,049)	(84,293)	—	—	—	(198,342)
Convertible debentures exchanged for common shares	—	—	(13,349)	—	—	(13,349)
Convertible debentures modified to debentures			(27,300)	27,300		—
Gain on debenture extinguishment, net	—	—	(4,224)	—	—	(4,224)
Scheduled principal payments	(2,551)	(2,360)	—	—	—	(4,911)
Financing costs paid	(723)	(1,036)	—	—	—	(1,759)
Amortizing of financing costs, mark to market adjustments, and accretion of equity components as applicable	623	1,757	9,293	—	258	11,931
Transferred to liabilities related to assets held for sale (note 15)	—	(33,094)	—	—	(58,606)	(91,700)
Changes in foreign currency rates	—	(3,273)	(31)	—	—	(3,304)
Balance, December 31, 2024	$ 219,315	$ 148,224	$ —	$ 27,300	$ —	$ 394,839

15. 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 the sale transactions in the first six months of 2025. As of December 31, 2024, the properties are encumbered by mortgages payable with a total principal amount of $26,157. 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. On October 15, 2024, a sale of seven of the eight properties closed and the remaining asset is expected to close in 2025. The remaining asset is secured by a mortgage with a principal balance $6,684. The mortgage is not expected to be settled in conjunction with an anticipated sale of the directly related asset, although management expects to repay the mortgages upon the sale of the property. Accordingly, the mortgage has not been classified as a liability directly associated with assets held for sale. The remaining property is subject to a nine-month purchase option available to the same buyer, which begins upon the fulfillment of certain conditions on the physical property.

In the third quarter of 2024, the Company executed a purchase and sale agreement to sell the Commonwealth - Foxhound portfolio. The transaction is expected to close in the first six months of 2025, subject to 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 December 31, 2024, a portion of the portfolio was secured by a credit facility with a principal amount of $174,711, which is included in credit facilities in the consolidated 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 $45,370 as of December 31, 2024. $28,776 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 $16,594 is included in mortgages payable in the consolidated 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 related to the assets held for sale as at December 31, 2024, are as follows:

		December 31, 2024
Investment properties	$	35,871
Property, plant and equipment		272,566
Other assets		2,345
Total assets held for sale	$	310,782
Accounts payable and accrued liabilities	$	5,829
Mortgages payable (1)		33,094
Commonwealth preferred unit liability		58,606
Other liabilities		1,240
Total liabilities related to assets held for sale	$	98,769

(1) Includes principal balances totaling $28,776, net loan fees of $312 and a net mark-to-market adjustment of $4,630.

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

		December 31, 2024
Issued	$	68,424
Cumulative redemptions		(9,818)
Equity component, net of accretion		—
Commonwealth preferred unit liability	$	58,606

16. 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 2025. 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 December 31, 2024 and 2023 are as follows:

		December 31, 2024		December 31, 2023
Investment properties	$	4,400	$	5,521
Other assets		72		854
Total assets of discontinued operations classified as held for sale	$	4,472	$	6,375
Other liabilities	$	218	$	457
Total liabilities related to discontinued operations classified as assets held for sale	$	218	$	457

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

	Year ended December 31, 2024	2023
Rental revenue	$ 1,233	$ 2,286
Other revenue	(2)	62
Direct property operating expense	1,119	2,136
Net finance costs from operations	755	936
Real estate tax expense	356	661
General and administrative expense	115	34
Transaction costs	36	93
Allowance for expected credit losses	163	403
Change in fair value of investment properties - IFRIC 21	3	(74)
Change in fair value of investment properties	(844)	6,494
Foreign exchange loss (income) reclassified from other comprehensive income	(63)	(21)
Current income tax expense (recovery)	—	816
Net loss from discontinued operations	$ (409)	$ (9,130)

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

	Year ended December 31, 2024	2023
Net cash provided by (used in) operating activities	$ 1,049	$ (2,395)
Net cash provided by (used in) financing activities	(3,007)	(4,830)
Net cash provided by (used in) investing activities	1,850	5,895

Asset disposition during the year ended December 31, 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.

17. Share capital:

(a) Common shares:

The following number and value of common shares were issued and outstanding as at December 31, 2024 and 2023:

	Common shares		Carrying value
Balance, December 31, 2022	56,111,348	$	508,961
Issued on settlement of Deferred Share Incentive Plan	134,221		117
Issued on settlement of equity settled Deferred Shares	160,025		1,059
Shares acquired under NCIB	(194,300)		(161)
Reversal of obligation for purchase of units under automatic share purchase plan	—		4,038
Shares forfeited by shareholders	(5,000)		—
Equity component of convertible debentures	—		4,356
Balance, December 31, 2023	56,206,294	$	518,370
Issued on settlement of Deferred Share Incentive Plan	18,876		5
Issued on convertible debenture modification (note 12)	140,516,942		13,349
Issued on preferred share exchange (note 24)	716,875,000		68,103
Balance, December 31, 2024	913,617,112	$	599,827

The number of authorized common shares is unlimited. All outstanding common shares are without par value. The holders of common shares are entitled to one vote in respect of each common share held of the Company and are entitled to receive dividends if, as and when such dividends are declared by the board of directors. In the event of the dissolution, liquidation or winding up of the Company, whether voluntarily or involuntarily, or any other distribution of assets of the Company among Shareholders for the purpose of winding up its affairs, the holders of common shares are entitled to receive the remaining property and assets of the Company.

(b) Preferred shares:

The following number and value of preferred shares were issued and outstanding as at December 31, 2024 and 2023:

	Preferred shares		Carrying value
Balance, December 31, 2023	9,098,598	$	85,389
Exchanged for common shares (note 24)	(9,098,598)		(85,389)
Balance, December 31, 2024	—	$	—

As at December 31, 2024, the preferred shares are convertible into nil (December 31, 2023 - 13,010,732) common shares of the Company.

18. 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:

	Year ended December 31,	
	2024	2023
Net loss from continuing operations for basic and diluted net loss per share	$ (35,728)	$ (90,110)
Net loss for basic and diluted net loss per share	$ (36,137)	$ (99,240)

Denominator for basic and diluted net loss per share:

	Year ended December 31,	
	2024	2023
Weighted average number of shares, including fully vested deferred shares: Basic and diluted	61,360,442	56,703,764

Net loss per share:

	Year ended December 31,	
	2024	2023
Net loss per share from continuing operations:		
Basic and diluted	$ (0.58)	$ (1.59)
Net loss per share:		
Basic and diluted	$ (0.59)	$ (1.75)

19. Revenue:

(a) Tenant Rental Revenue:

Tenant rental revenue consists of the following:

	Year ended December 31, 2024	2023
Contractual rental revenue	$ 16,885	$ 32,018
Straight-line rent adjustments	1,180	2,873
Amortization of tenant inducements	(242)	(243)
Amortization of leasing commission	(20)	(20)
Property tax recoveries	4,061	10,240
	$ 21,864	$ 44,868

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 December 31, 2024 are as follows:

	As of December 31, 2024
Less than 1 year	$ 14,818
Between 1 and 5 years	61,125
More than 5 years	75,459
	$ 151,402

(b) Resident rental and related revenue:

	Year ended December 31, 2024	2023
Resident revenue	$ 112,284	$ 116,491
Service revenue [1]	24,611	23,880
	$ 136,895	$ 140,371

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

20. Direct property operating expenses:

Direct property operating expenses consist of the following:

	Year ended December 31,	
	2024	2023
Repairs and maintenance	$ 2,838	$ 2,865
Utilities	3,725	3,975
Compensation and benefits	66,378	70,632
Other services and supplies	8,475	8,391
Administrative and marketing	9,669	9,896
Real estate taxes	2,024	2,476
Insurance	2,789	3,012
Other	3,265	4,466
	$ 99,163	$ 105,713

21. Net finance costs:

Net finance costs consist of the following:

	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense on credit facilities	$ 20,927	$ 31,154
Interest expense on mortgages payable	12,402	11,327
Interest expense on convertible debentures	5,017	4,850
Interest expense on interest rate caps and swaps [(1)]	4,452	—
Dividends on Commonwealth preferred units	4,571	3,813
Amortization and accretion expense	5,551	8,675
Net income from interest rate swaps	(4,347)	(12,349)
Debt extinguishment costs	273	3,740
Loss on preferred share exchange (note 24)	656	—
Gain on loan exchange (note 4)	(685)	—
Gain on debenture modifications (note 12)	—	(23,890)
Gain on debenture extinguishment (note 12) [(2)]	(5,376)	—
Amortization of mark-to-market debt adjustments	6,253	3,924
Net finance costs from operations	$ 49,694	$ 31,244
Allowance for credit losses on loans and interest receivable (note 4)	1,759	4,111
Allowance for credit losses on taxes and insurance receivable	2,415	11,621
Change in fair value of loans receivable classified as FVTPL	—	(1,390)
Change in fair value of financial instruments	(799)	11,065
Accretion of fair value adjustment on convertible debentures	6,264	3,852
Change in non-controlling interest liability related to finance costs from operations	(44)	(202)
Total finance costs	$ 59,289	$ 60,301

(1) Represents the initial premium paid for interest rate swaps entered into during the fiscal year, and the amortization over the term of the contract of the premium paid for interest rate caps entered into during the fiscal year.

(2) Comprised of $4,224 gain on the debenture extinguishment and $1,152 gain on forfeiture of accrued interest previously recorded in accounts payable.

22. General and administrative:

General and administrative expenses consist of the following:

	Year ended December 31,	
	2024	2023
Compensation and benefits	$ 15,880	$ 12,858
Professional fees	2,955	2,969
Deferred share compensation expense	(77)	71
Insurance	680	706
Rent	446	431
Other	1,886	2,575
	$ 21,770	$ 19,610

For the year ended December 31, 2024, $10,039 (year ended December 31, 2023 - $9,089) of general and administrative expenses noted above, most of which were reflective of compensation and benefits, 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 remains 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 as part of the compensation and benefits included in general and administrative expenses in the above table and the remaining liability of $1,809 is included in other liabilities (note 13).

23. Deferred share incentive plan:

At December 31, 2024, the number of deferred shares granted and outstanding and vested are as follows:

	Granted/ Outstanding	Fully Vested
As at December 31, 2022	584,784	312,411
Discretionary Deferred Shares	—	51,165
Equity Settled Deferred Shares	—	160,024
Individual Contributed Deferred Shares (vested immediately)	207,640	207,640
Company Contributed Deferred Shares	—	15,033
Shares issued upon vesting of deferred shares	(294,245)	(294,245)
Shares forfeited	(12,584)	—
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	(18,876)	(18,876)
Shares forfeited	(9,438)	—
As at December 31, 2024	457,281	457,281

For the year ended December 31, 2024, the Company recognized $77 of expense related to deferred shares in the consolidated statements of loss and comprehensive loss (year ended December 31, 2023 - $71). A deferred share liability of $37 is included in other non-current liabilities in the consolidated statements of financial position as at December 31, 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 year ended December 31, 2024, the Company granted zero deferred shares with a grant-date fair value of $nil (December 31, 2023 - 207,640 units with a grant-date fair value of $187).

24. 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. Following the execution of the Preferred Share Exchange (see below), ISHC and Mr. Chester own less than 5% 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 November 26, 2024, the Company announced the approval of holders of Common Shares of the exchange of certain funds (the "Exchanging Magnetar Funds") managed by Magnetar Financial LLC (“Magnetar”) whereby Magnetar agreed to exchange the Company's class A convertible preferred shares held by it for 716,875,000 common shares of the Company (the “Preferred Share Exchange”) (note 17). The closing date of the exchange was December 30, 2024, and was conditional

on the successful closing of the convertible debentures modifications. Based on the number of Common Shares outstanding as of the date hereof, following the convertible debenture amendments and the Preferred Share Exchange, Magnetar and the Exchanging Magnetar Funds own and exercise control over approximately 80% of the Common Shares.

Key management personnel compensation:

The remuneration of key management personnel of the Company for years ended December 31, 2024 and 2023 is set forth in the table below.

	Year ended December 31,			
		2024		2023
Officers and directors compensation	$	2,675	$	2,392
Contractual severance		3,060		—
Share based compensation		—		89
	$	5,735	$	2,481

25. 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 year ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,			
		2024		2023
Net loss from continuing operations before income taxes	$	(37,333)	$	(90,422)
Income tax recovery at Canadian tax rate		(9,893)		(23,961)
Non-deductible expenses		(18)		28
Difference in tax rate in foreign jurisdiction		(368)		(1,253)
Unrecognized tax benefit		8,674		24,874
Income tax recovery	$	(1,605)	$	(312)

The Company has certain subsidiaries in the United States and Canada that are subject to tax on their taxable income. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below.

		December 31, 2024		December 31, 2023
Deferred tax assets:				
Tax losses	$	57,595	$	59,337
Investment properties and property, plant and equipment		14,971		7,165
Loans receivable		16,361		15,380
Equity investments		3,427		2,431
Mark-to-market adjustments		1,334		1,337
Deferred financing costs		203		239
Accrued expenses		2,705		2,705
Other		607		112
Deferred tax assets	$	97,203	$	88,706
Deferred tax liabilities:				
Convertible debentures	$	—	$	8,602
Derivative instruments		2,264		2,537
Other		357		568
Deferred tax liabilities	$	2,621	$	11,707
Deferred tax assets not recognized, net	$	94,582	$	78,604
Net deferred tax asset (liability)	$	—	$	(1,605)

For the year ended December 31, 2024, the Company's U.S. subsidiaries recognized income tax expense of $nil ($816 for the year ended December 31, 2023). The income tax expense for the prior year is included as part of the net loss from discontinued operations (note 16). At December 31, 2024, the U.S. subsidiaries had accumulated net operating losses available for carryforward for U.S. income tax purposes of $142,011 (2023 - $161,871). The pre-2018 accumulated net operating losses of $15,865 will expire in 2037. The U.S. state net operating losses of $114,618 will expire in 2031.

The Company and its Canadian subsidiary have losses in Canada for income tax purposes amounting to $66,760 that expire between 2036 and 2044.

26. 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 December 31, 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. However, should the anticipated sale transaction of the Foxhound - Commonwealth portfolio (note 15) take place, this contingency is no longer in effect.

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 December 31, 2024.

27. Capital Management:

The Company's objectives when managing capital are to ensure sufficient liquidity to pursue its organic growth combined with strategic acquisitions and dispositions, and to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations.

The capital of the Company consists of mortgages payable, credit facilities, debentures, Commonwealth preferred unit liability and common shares.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In managing its capital structure, the Company monitors performance throughout the period to ensure working capital requirements are funded from operations, available cash on deposit and available financing. The Company may make changes to its capital structure in order to support the broader corporate strategy or in light of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue equity or new debt, issue new debt with different characteristics to replace existing debt or reduce the amount of existing debt. For both secured and subordinated credit instruments with near term maturities, the Company intends to refinance or repay the obligations. For refinancings, the Company intends to structure similar instruments to those in place currently.

The real estate industry is capital-intensive by nature. As a result, debt capital is an important aspect in managing the business. In addition, financial leverage is used to enhance terms from purchased real estate. The Company actively monitors debt maturities and available debt financing options.

Under the terms of the Company's credit facilities and certain mortgages payable, the Company is required to meet certain financial and non-financial covenants that are customary for the nature and phase of the Company's current business structure.

28. 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:

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative instruments - asset	$ —	$ 590	$ —	$ —	$ 4,027	$ —
Investment properties	—	—	207,526	—	—	369,932
Loans receivable	—	—	2,604	—	—	2,484
Profit-participation interest	—	—	700	—	—	—
Derivative instruments - liability	—	47	—	—	927	—
Deferred share liability	—	37	—	—	118	—

For the assets and liabilities measured at fair value as at December 31, 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 dispositions, 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.

	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans receivable	$ 11,425	$ 11,430	$ 12,852	$ 12,688
Derivative instruments	590	590	4,027	4,027
Bond assets	367	367	504	504
Profit-participation interest	700	700	—	—
Financial liabilities:				
Mortgages payable	148,224	143,348	216,619	200,662
Credit facilities	219,315	219,686	336,015	335,047
Derivative instruments	47	47	927	927
Convertible debentures	—	—	35,611	28,608
Debentures	27,300	27,300	—	—
Commonwealth preferred unit liability (note 15)	—	—	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. The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

i. Loans receivable

The fair value of non-current loans receivable is determined by the discounted cash flow method using applicable inputs such as prevailing interest rates, contractual rates and discounts. Fair value measurements of these instruments were estimated using Level 3 inputs. The carrying values of short-term loans generally approximate their fair values.

ii. Derivative instruments

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.

iii. Bond assets

The fair value of bond assets is determined by the discounted cash flow method using applicable inputs such as discount rates and fixed payment schedules. Fair value measurements of these instruments were estimated using Level 3 inputs. The carrying values of bond assets approximate their fair values.

iv. Mortgages payable and credit facilities

The fair values of these instruments are estimates made at a specific point in time, based on relevant market information. These estimates are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for similar financial instruments subject to similar risk and maturities. Fair value measurements of these instruments were estimated using Level 2 inputs. The carrying values of short-term debt generally approximate their fair values.

v. Debentures

The Company determined the fair value of the debentures using quoted market prices which are considered Level 1 inputs.

vi. Commonwealth preferred unit liability

The fair value of the Commonwealth preferred unit liability is determined by the discounted cash flow method using applicable inputs such as market interest rates and contractual rates. Fair value measurements of these instruments were estimated using Level 3 inputs.

29. Financial risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(i) Market risk

Foreign currency risk:

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. A portion of the Company's operations are located in Canada, resulting in the Company being subject to foreign currency fluctuations which may impact its financial position and results. In order to mitigate the risk, the Company's borrowings on Canadian assets are also denominated in Canadian dollars to act

as a natural hedge. In addition, Canadian dollar revenue was predominantly economically hedged by Canadian dollar expenditures such as corporate professional fees, interest expense and administrative expenditures.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on loans receivable because all of the loans earn interest at fixed rates.

The Company is exposed to interest rate risk on the credit facilities and certain mortgages payable, which bear interest at variable rates. To manage interest rate risk, the Company entered into certain derivative financial instruments, including interest rate swaps and caps, which effectively fix interest on a portion of its variable rate debt. It may also enter into additional derivative financial instruments from time to time to mitigate interest rate risk. At December 31, 2024, 22.3% (December 31, 2023 - 87.3%) of the Company's interest was of fixed rate, including the impact of in-place swaps. As the Company renews maturing debt, it is also subject to higher interest rates in the variable interest rate environment and required credit spreads of lenders.

The Company's interest-bearing financial instruments were as follows:

	Carrying Amount	
	December 31, 2024	December 31, 2023
Fixed-rate financial liabilities [1]	$ 88,287	$ 101,324
Variable-rate financial liabilities [2]	$ 306,552	$ 486,921

(1) Includes $18,583 of fixed rate mortgages maturing in 2025 with a weighted average interest rate of 6.85%.

(2) Includes $183,863 of variable rate debt with fixed interest rate swaps over varying terms of maturity (2023 - $342,478).

As at December 31, 2024, an increase/decrease of 100-basis-points in interest rates as applied to variable interest rate debt that has not been economically hedged, assuming all other variables are constant, would result in a $1,234 (2023 - $887) change in the Company's finance costs over the next year. The Company will be exposed to increased interest expenses while pursuing refinancings and new interest rate swaps in 2025 due to the current interest rate environment. For details regarding the Company's strategy regarding near-term debt maturities, expiring derivative financial instruments in the form of swap contracts and interest rate caps refer to notes 1, 9, 10 and 11.

(ii) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. The Company is exposed to credit risk on all financial assets and its exposure is generally limited to the carrying amount on the consolidated statement of financial position. The Company is exposed to credit risk arising from the possibility that a borrower may be unable to fulfill their contractual obligations. In the event that borrowers are not able to meet commitments, the Company could suffer a loss of either interest or principal or both. The Company actively manages its affairs to minimize its credit risk through careful selection and assessment of its credit parties and collateral based on knowledge obtained through means such as due diligence carried out in respect of leasing transactions to new operators. The Company actively monitors its portfolio of loan and interest receivable to ensure its financial position is accurately reported. The Company also manages credit risk related to its cash balances by selection of reputable banking institutions.

(iii) Liquidity risk:

The Company’s principal liquidity needs arise from working capital requirements, debt servicing and repayment obligations, planned funding of property improvements, and property development and acquisition funding requirements.

Liquidity risk arises from the possibility of not having sufficient debt, cash and equity capital available to the Company to fund its growth program and refinance or meet its payment obligations as they arise.
The Company is subject to the liquidity risk that it will not be able to meet its financial obligations as they come due. Although a portion of the cash flow generated by the investment properties is devoted to servicing outstanding debt and the debentures, there can be no assurance that the Company will continue to generate sufficient cash flow from operations to meet its covenant requirements as well as its interest payments and principal repayment obligations upon an applicable maturity date. If the Company is unable to meet its covenant requirements, principal or interest repayment obligations, it could be required to renegotiate such payments, issue additional equity or debt, or obtain other financing. The failure to make or renegotiate interest or principal payments, issue additional equity or debt, or obtain other financing could have a material effect on the Company's financial condition and results of operations. The Company manages its liquidity risk through cash and debt management and forecasting. The Company plans to address scheduled interest payments through operating cash flows. The Company plans to address scheduled debt maturities and reduced leverage capacity (note 1) through a combination of refinancings of the underlying properties and asset sales.

The Company is subject to risk that it will not be compliant with certain covenants that underlie its credit obligations. If the Company is unable to meet certain covenants, the Company may be required to obtain other financing, repay some or all of the corresponding obligation, or sell the corresponding property underlying the credit obligation.

The following are the contractual maturities of the Company's financial liabilities as at December 31, 2024, including expected interest payments based on interest rates in place after open derivative contracts expire, where applicable:

	Total	2025	2026	2027	2028	2029	Thereafter
Credit facilities principal [1]	$219,686	$219,686	$ —	$ —	$ —	$ —	$ —
Mortgages payable principal	149,217	78,041	12,613	17,996	3,695	29,981	6,891
Debentures principal	27,300	—	—	27,300	—	—	—
Commonwealth preferred unit liability principal [2]	58,606	58,606	—	—	—	—	—
Total principal	$454,809	$356,333	$12,613	$45,296	$ 3,695	$29,981	$ 6,891
Percentage of total	100.0 %	78.3 %	2.8 %	10.0 %	0.8 %	6.6 %	1.5 %
Credit facilities interest	$ 6,644	$ 6,644	$ —	$ —	$ —	$ —	$ —
Mortgages payable interest	19,248	6,891	3,662	2,735	2,549	1,122	2,289
Debentures interest	7,978	2,662	2,662	2,654	—	—	—
Commonwealth preferred unit liability interest [2]	2,751	2,751	—	—	—	—	—
Accounts payable and accrued liabilities	12,075	12,075	—	—	—	—	—
Accrued real estate taxes	3,862	3,862	—	—	—	—	—
Other current liabilities	5,241	5,241	—	—	—	—	—
Other non-current liabilities	2,328	284	998	757	—	—	289
Total other contractual obligations	$60,127	$40,410	$ 7,322	$ 6,146	$ 2,549	$ 1,122	$ 2,578
Total commitments	$514,936	$396,743	$19,935	$51,442	$ 6,244	$31,103	$ 9,469

(1) The Company qualified for the first of two separate six-month extension options on the corporate credit facility (maturity date of September 30, 2025) and anticipates qualifying for another one year extension of the Commonwealth credit facility (as of August 1, 2025).

(2) The liability has no stated maturity date but is included as a contractual amount in the current year period due to its conversion terms. The Company anticipates settling the liability in 2025 in conjunction with a sale of 20 properties (see "Liquidity and Capital Resources").

The credit facilities have an outstanding balance of $219,686 as of December 31, 2024. The corporate credit facility's total amount outstanding has been reduced to approximately $44,975 with a maturity date of March 31, 2025. The Company qualified for the first of two six-month extension options made available by the lender, which are subject to covenant compliance (note 1). The Company successfully extended the Commonwealth credit facility in the second quarter of 2024. In addition, the Company has a twelve-month contractual extension option available within the existing agreement, which can be executed upon the satisfaction of certain performance metrics within the underlying portfolio of properties. The Company expects to achieve such metrics.

30. 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 24 properties and a management company that operates 21 of those properties ("owner occupied property"). Management considers this a separate reportable segment.

The following tables show net loss by reportable segment for the year ended December 31, 2024 and 2023:

	Year ended December 31, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 21,864	$ —	$ —	$ 21,864	$ 1,233	$ 23,097
Resident rental and related revenue	—	136,895	—	136,895	—	136,895
Lease revenue from joint ventures	3,911	—	—	3,911	—	3,911
Other revenue	23	4,571	605	5,199	(2)	5,197
Other income	1,500	—	—	1,500	—	1,500
Interest income from loans receivable	255	—	821	1,076	—	1,076
Direct property operating expenses	—	99,163	—	99,163	1,119	100,282
Depreciation and amortization expense	—	13,072	184	13,256	—	13,256
Net finance costs from operations	14,033	26,755	8,906	49,694	755	50,449
Real estate property tax expense	4,061	—	—	4,061	356	4,417
General and administrative expenses	91	10,038	11,641	21,770	115	21,885
Transaction costs, net	424	901	416	1,741	36	1,777
Allowance for expected credit losses	2,252	—	1,759	4,011	163	4,174
Changes in non-controlling interest liability	43	762	—	805	—	805
Change in fair value of investment properties - IFRIC 21	—	—	—	—	3	3
Change in fair value of investment properties	4,147	—	—	4,147	(844)	3,303
Impairment of property, plant and equipment	—	3,095	—	3,095	—	3,095
Change in fair value of financial instruments	(260)	298	(837)	(799)	—	(799)
Loss (gain) on sale and acquisition of property, plant and equipment	—	640	—	640	—	640
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	(63)	(63)
Share of loss from joint ventures	(6,194)	—	—	(6,194)	—	(6,194)
Deferred income tax recovery	—	—	1,605	1,605	—	1,605
Net loss	$ (3,432)	$ (13,258)	$ (19,038)	$ (35,728)	$ (409)	$ (36,137)
Expenditures for non-current assets:						
Capital additions	$ 578	$ 4,873	$ —	$ 5,451	$ 557	6,008

	Year ended December 31, 2023					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 44,868	$ —	$ —	$ 44,868	$ 2,286	$ 47,154
Resident rental and related revenue	—	140,371	—	140,371	—	140,371
Lease revenue from joint ventures	3,511	—	—	3,511	—	3,511
Other revenue	19	3,542	518	4,079	62	4,141
Other income	1,711	34	—	1,745	—	1,745
Interest income from loans receivable	194	—	1,202	1,396	—	1,396
Direct property operating expenses	—	105,713	—	105,713	2,136	107,849
Depreciation and amortization expense	—	15,398	186	15,584	—	15,584
Net finance costs from operations	15,068	21,050	(4,874)	31,244	936	32,180
Real estate property tax expense	10,194	—	—	10,194	661	10,855
General and administrative expenses	40	9,084	10,486	19,610	34	19,644
Transaction costs, net	793	—	(6)	787	93	880
Allowance for expected credit losses	11,662	—	4,070	15,732	403	16,135
Changes in non-controlling interest liability	317	(75)	—	242	—	242
Change in fair value of investment properties - IFRIC 21	46	—	—	46	(74)	(28)
Change in fair value of investment properties	64,670	—	—	64,670	6,494	71,164
Change in fair value of financial instruments	(1,300)	3,892	7,084	9,676	—	9,676
Loss (gain) on sale and acquisition of property, plant and equipment	—	(22)	—	(22)	—	(22)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	(21)	(21)
Impairment of property, plant and equipment	—	8,783	—	8,783	—	8,783
Share of income (loss) from joint ventures	(4,133)	—	—	(4,133)	—	(4,133)
Income tax expense (recovery)	—	—	(312)	(312)	816	504
Net income (loss)	$ (55,320)	$ (19,876)	$ (14,914)	$ (90,110)	$ (9,130)	$ (99,240)
Expenditures for non-current assets:						
Acquisition of properties	$ 621	$ —	$ —	621	$ —	621
Capital additions	7,654	5,814	—	13,468	235	13,703

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

	As at December 31, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings	Total
Investment properties	$ 207,526	$ —	$ —	$ 207,526	$ —	$ 207,526
Property, plant and equipment, net	—	27,499	297	27,796	—	27,796
Investment in joint ventures	39,591	—	—	39,591	—	39,591
Loans receivable	1,297	—	10,128	11,425	—	11,425
Assets held for sale	35,871	274,911	—	310,782	4,472	315,254
Other assets	5,801	17,312	12,515	35,628	—	35,628
Total assets	$ 290,086	$ 319,722	$ 22,940	$ 632,748	$ 4,472	$ 637,220
Mortgages payable	$ 119,729	$ 23,172	$ —	$ 142,901	$ 5,323	$ 148,224
Credit facilities	44,975	174,340	—	219,315	—	219,315
Debentures	—	—	27,300	27,300	—	27,300
Non-controlling interest liability	546	123	—	669	—	669
Other liabilities	5,435	10,899	7,219	23,553	—	23,553
Liabilities related to assets held for sale	—	98,769	—	98,769	218	98,987
Total liabilities	$ 170,685	$ 307,303	$ 34,519	$ 512,507	$ 5,541	$ 518,048

	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 December 31, 2024, $192,508 of the Company's non-current assets, excluding financial instruments, are located in the United States (December 31, 2023 - $681,312) and $83,098 are located in Canada (December 31, 2023 - $85,180). During the year ended December 31, 2024, the Company generated $158,759, (year ended December 31, 2023 - $185,239), of its revenues, excluding other revenue, from properties located in the United States and $3,911, (year ended December 31, 2023 - $3,511) of its revenues from properties located in Canada.