Invesque™

2025 Annual Report

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INVESQUE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE YEAR ENDED DECEMBER 31, 2025

March 19, 2026

Basis of presentation

Financial data in this Management's Discussion and Analysis of Results of Operations and Financial Condition (this "MD&A") is for the year ended December 31, 2025. This MD&A is intended to provide readers with an assessment of the performance of Invesque Inc. (the "Company") for the year ended December 31, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2025 and 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

In this document we use a number of performance measures that are not defined by IFRS which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures, to measure, compare and explain the operating results and financial performance of the Company (collectively, the “non-IFRS Financial Measures”).

Certain non-IFRS Financial Measures such as Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO"), revenue per resident and related per share amounts are used by the Company to measure, compare and explain the operating results and financial performance of the Company. Such performance measures do not have standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other issuers. Such performance measures should not be construed as alternatives to income (loss) and comprehensive income (loss) or cash flows from operating activities calculated in accordance with IFRS. Further, the supplemental measures used by management may not be comparable to similar measures presented by other real estate enterprises. Management believes that these terms are relevant measures in comparing the Company's performance to industry data and assessing its ability to meet its ongoing obligations. Refer to the "Financial Measures" section of this MD&A for a more detailed description of FFO and AFFO and a reconciliation to IFRS measures.

Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2025 (the "2025 AIF"), can be found on SEDAR at www.sedarplus.com.

All financial information is in thousands of U.S. dollars, except share and per share amounts, unless otherwise noted.

Forward-looking disclaimer

This MD&A contains certain forward-looking information and/or statements (“forward-looking statements”), that reflect and are provided for the purpose of presenting information about management’s current expectations and plans relating to the future, including, without limitation, statements regarding the expected seniors housing and care industry and demographic trends, acquisitions, dispositions, development activities, future maintenance and leasing expenditures, financing, the availability of financing sources and income taxes. Forward-looking information is typically identified by terms such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “expectations,” “intend,” “may,” “plan,” “project,” “should,” “will,” and other similar expressions that do not relate solely to historical matters and suggest future outcomes or events. Readers should not place undue reliance on forward-looking statements and are cautioned that forward-looking statements may not be appropriate for other purposes. Forward-looking statements in this MD&A are based on current beliefs, expectations, and certain assumptions of the Company's management, including without limitation that any conditions relating to the sale of the Company's medical office buildings will be satisfied or waived and any such transactions will be completed when currently expected, that the Company will not be able to refinance or extend the maturity on its existing debt or be permitted, and other factors that are beyond the Company’s ability to predict or control and may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. The Company's actual results may differ as a result of various factors, including without limitation, the status of capital markets, including, without limitation, availability and cost of capital; issues facing the healthcare industry, including, without limitation, compliance with, and changes to, regulations and payment policies, responding to government investigations and settlements and operators’/tenants’ ability to cost effectively obtain and maintain adequate liability and other insurance; the risk that the Company’s operators/tenants and borrowers may become subject to bankruptcy or insolvency proceedings; changes in financing terms; competition throughout the healthcare and seniors housing industries; the operating results or financial condition of operators/tenants, including, without limitation, their ability to pay rent and repay loans, the Company’s ability to transition, buy, or sell properties with profitable results as and when anticipated, and occupancy levels; the effect of other factors affecting the Company’s business outside of the Company’s or operators’/tenants control, including without limitation, natural disasters, other health crises or pandemics, governmental action, particularly in the healthcare industry, protests, strikes, and shortages in supply chains; and those factors set forth under the heading "Risks and Uncertainties" in this MD&A and the 2024 AIF, as well as the risks described in the Company’s current annual information form and other documents, available on SEDAR at www.sedarplus.com, which risks may be dependent on market factors and not entirely within the Company’s

control. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons.

These forward-looking statements reflect current expectations of the Company and are made as of March 19, 2026, being the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

Business Overview

Invesque Inc. is a corporation continued under the *Business Corporations Act* (British Columbia). The registered office of the Company is located at 700 W Georgia Street, 25th Floor, Vancouver, British Columbia V7Y 1B3 and the head office of the Company is located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7.

The Company is a North American healthcare real estate company with an investment thesis focused on the premise that an aging demographic in North America will continue to utilize healthcare services in growing proportion to the overall economy. The Company currently capitalizes on this opportunity by investing in a portfolio of income generating properties with a focus on seniors housing. The Company's portfolio includes investments seven in independent living, assisted living and memory care properties, four of which are operated under joint venture arrangements with industry leading operating partners. The Company's portfolio includes investments in owner occupied seniors housing properties in which it owns the real estate and contracts with leading third-party operators under management contracts.

Description of the Company's asset types are as follows:

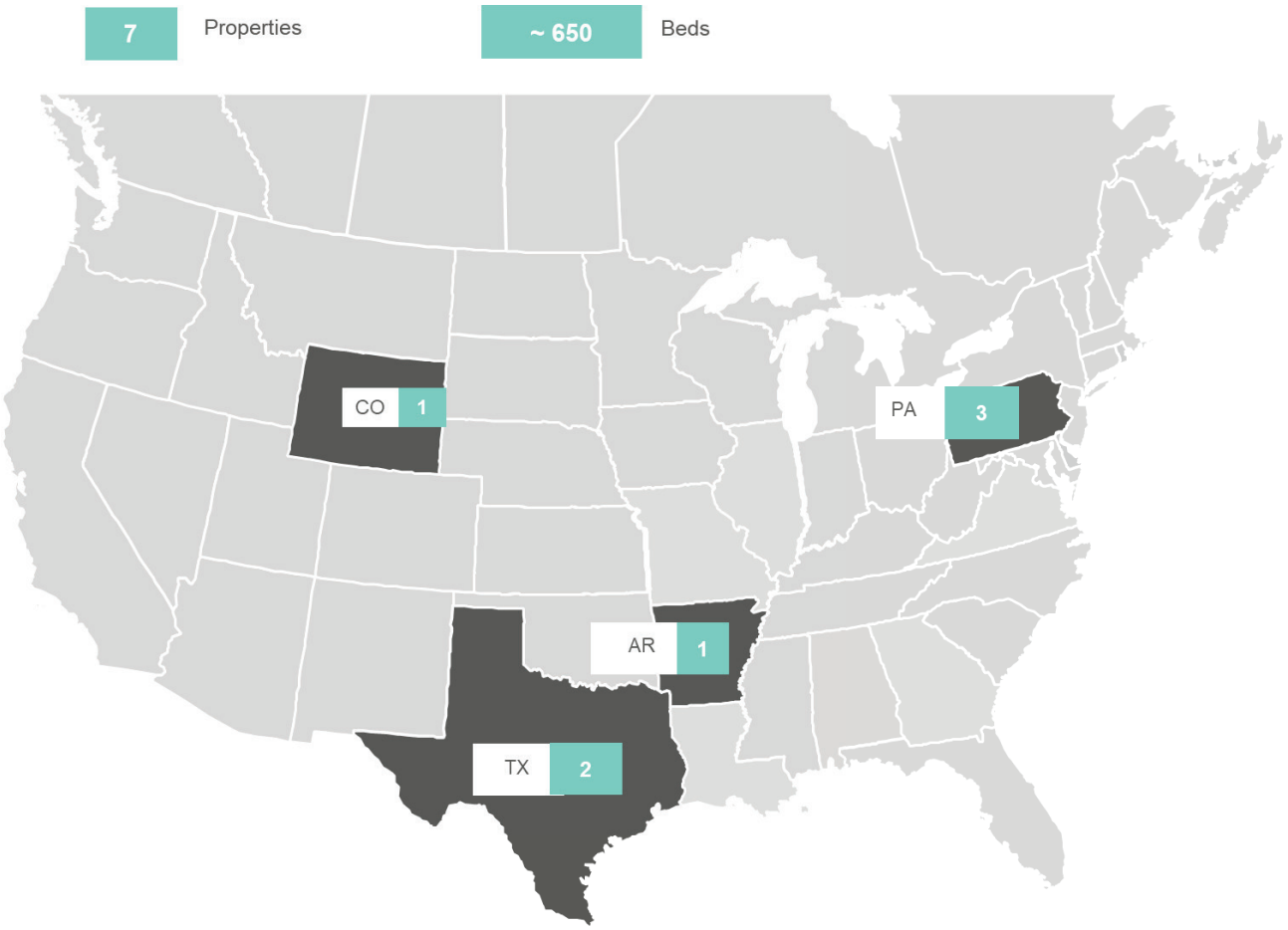
- **Independent Living ("IL") Communities:** IL communities are the least medically-intensive type of seniors housing and care properties. Unlike AL (defined below) communities and higher acuity skilled-nursing communities, IL communities generally do not offer nursing, rehabilitative care or therapy services and typically do not provide assistance with daily living activities. Rather, IL communities are designed as a seniors housing and care option for those who are able to perform their own basic activities of daily living and need little or no medical assistance. IL communities come in many forms ranging from age-restricted apartment communities to villa homes which are on a retirement village campus or part of a continuing care retirement community. IL communities in North America are generally unregulated and unlicensed, with some exceptions for IL communities providing more extensive care services. Most IL communities receive revenue through private pay sources, such as residents paying directly out of pocket and private insurance, rather than government sources.

- **Assisted Living ("AL") and Memory Care ("MC") Communities**: AL and MC communities play a key role in the continuum of seniors housing and care, as they bridge the gap between IL communities and higher acuity skilled-nursing communities. AL communities provide relatively independent elderly persons with typical amenities associated with less medically-intensive seniors housing and care as well as assistance with activities of daily living and some healthcare services. Services provided at AL communities typically include 24-hour care for resident protection, an emergency response system, supervision for persons with disabilities, housekeeping, maintenance and transportation. MC communities are substantially similar to AL communities because they also focus on elderly persons who need assistance with activities of daily living and healthcare services but differ from AL communities because MC residents need to be cared for in a secured environment to prevent seniors from leaving the community in a confused state. AL and MC communities in the United States are typically licensed and regulated by state and local governments rather than the federal government. In Canada, AL communities are licensed or certified and regulated in most jurisdictions. Licensure for MC communities is generally identical to AL licensure except for specific building requirements including locked exterior doors secured by keys or an access code. AL and MC communities receive most of their revenues through private pay sources and may also receive revenue from third-party pay sources, including federal, state and provincial governments.

For the Company's IL and AL properties, it either has an interest in both the property and operations in joint ventures and joint arrangements with the operating partner at the facility or wholly owns and operates the property. For the Company's MC properties, it wholly owns the real estate and contracts with third-party management companies to run day-to-day operations at the community while assuming all of the operating risk within the buildings.

As of March 19, 2026, the Company owns or has a majority interest in a portfolio of seven assisted living, memory care and independent living facilities in the United States. Management views and manages the business as a single operating segment on a go-forward basis.

The Company's geographic footprint as of March 19, 2026:



Management believes that certain characteristics of the North American seniors housing and care industry, including favorable demographic trends, increasing demand with stagnant supply of new facilities and the shift from high cost hospitals for post-acute care to lower cost settings such as assisted living, memory care and skilled nursing facilities, provide for a unique investment opportunity. Management also believes that, as a result of the high quality of the Company's properties, the Company is well-positioned to succeed in the industry by capitalizing on these market opportunities.

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 on hand and debt capacity, and to ensure the Company will meet its financial covenants related to mortgages affiliated with wholly-owned assets and mortgages held within investments in joint ventures accounted for under the equity method. Such forecasting involves judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, where applicable, and covenant compliance required under the terms of various mortgage 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 that it will have sufficient available cash on hand 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, 2025, which may include waivers, cures or other paths for resolution, if necessary. In making this judgment, the Company has prepared a cash flow forecast and mortgage covenant projections with the most significant assumptions in the preparation of such forecast being the ability of properties' underlying operations to generate sufficient cash flows assets and continued

availability of financing. Management has also identified all near-term debt maturities and ensured adequate measures are underway to address their repayment, replacement or extension.

Go-Forward Disposition Strategy

During the life of the Company, a large portion of the Company's portfolio was able to reach operating stabilization, leading Management to execute on strategic dispositions of assets that were expected to achieve the market-best valuations. On June 18, 2025 at the annual general and special meeting of the Shareholders, Shareholders approved a resolution to sell or lease all or substantially all of the assets of the Company in one or more transactions. The resolution permits the Company to sell all or substantially all assets at the discretion of the board or directors. Management determined the sale of assets through a flexible and controlled sale process allows the Company to maximize value to the Shareholders and other stakeholders, in lieu of a liquidation process that would likely risk the ability to receive fair value for the assets.

Over the past three years, the Company acquired or activated two properties and divested 77 properties. The net cash proceeds from completed dispositions were largely applied to the repayment of mortgages associated with the properties being sold or applied towards the repayment of the KeyBank facility. Following the Company's divestiture strategy, the KeyBank facility was fully repaid in August of 2025.

Recent Activities

On April 9, 2025, the Company sold a senior housing property in New York for a sale price of $25,100 before closing costs. Sale proceeds in excess of closing costs were used to pay down the mortgage affiliated with the property and the residual has been retained by the Company for working capital purposes.

On June 3, 2025, the Company sold 20 properties and the Company's ownership in the management company operated by Commonwealth Senior Living (collectively, the "Foxhound portfolio") for a base sale price of $309,000. The sale of the portfolio resulted in the settlement of the Commonwealth credit facility ($173,607 principal), all underlying mortgages payable ($45,054 principal) and the Commonwealth preferred unit liability ($58,606). As part of the sale, the Company issued a $7,500 note receivable to the buyer bearing interest at 7.50%. Sale proceeds in excess of debt settlements and closing costs were retained by the Company for working capital purposes (approximately $11,302). The Company recognized a gain on the sale of the portfolio of approximately $30,320 due primarily to the sales price relative to the amortized cost being the depreciated carrying values of property, plant and equipment. Upon completion of the transaction, Commonwealth Senior Living has ceased to manage any properties previously owned by the Company.

At the Company's Annual Meeting of Shareholders on June 18, 2025, shareholders of the Company approved a special resolution, in addition to other customary approvals, for the sale or lease of all or substantially all of the assets of the Company in one or more transactions, including by way of asset sales or leases or other similar transactions as approved by the Board of Directors from time to time. Although the special resolution permits the Company to sell all or substantially all of its assets at the Board of Directors' discretion, the Company is not required to sell any of its assets. The Board of Directors and management intend to continue to consider alternatives on an ongoing basis and pursue the Company's business in the meantime.

On June 18, 2025, the Company acquired the operating contract in connection with a property in Zachary, Louisiana. The property was previously under a triple-net lease and reported as investment property by the Company. At the time of acquisition closing, a purchase and sale agreement was executed to sell the property by the end of the third quarter of 2025. On September 15, 2025, the Company sold the property and operations for a sale price of $9,250 before closing costs. The closing of the sale included the paydown of a mortgage affiliated with the property with a principal balance of $6,500. After closing costs, the net proceeds of the sale were retained by the Company for working capital purposes.

On July 14, 2025, the Company sold a seniors housing asset in New York for a sale price of $5,800 before closing costs. Sale proceeds in excess of closing costs were used to pay down the mortgage affiliated with the property ($3,140 principal balance) and the residual (approximately $2,701) was retained by the Company for working capital purposes.

On July 25, 2025, the Company sold ten memory care assets, previously classified as held for sale, for a sale price of $83,204 before closing costs. Sale proceeds in excess of closing costs were used to pay down mortgages affiliated with 8 of the properties ($49,766 total principal balance) and to pay down $15,182 of the corporate credit facility. Residual proceeds (approximately $16,058) were retained by the Company for working capital purposes.

On August 15, 2025, the Company sold two skilled nursing facilities in Illinois for a total sale price of $23,686, of which a $1,094 prepaid credit from a prior sale was applied. Sale proceeds in excess of closing costs were used to pay down the remaining balance of the corporate credit facility.

On September 16, 2025, the Company sold a seniors housing asset in New York, previously classified as held for sale, for a sales price of $4,958 before closing costs. Sale proceeds in excess of closing costs were used to pay down the mortgage affiliated with the property ($4,863 principal balance).

On October 1, 2025, the Company sold a senior housing property in Chesapeake, Virginia for a sale price of $6,839 less seller credits of $272. Proceeds in excess of closing costs and cash on hand were used to settle the outstanding mortgage affiliated with the property ($6,684 principal balance).

On December 11, 2025, the Company sold four properties associated with joint ventures operated by Heritage Senior Living ("Heritage") for a sale price of $56,980.

On December 18, 2025, the Company sold the final medical office building in Camillus, New York for $4,100.

On December 23, 2025, the Company sold a subsidiary of the Company, which owned four investment properties and related outstanding mortgages operated by Autumnwood, for a total sale price of Canadian $31,000.

On January 23, 2026, the Company completed the redemption of its outstanding 9.75% unsecured subordinated debentures due December 30, 2027. The debentures were redeemed in full in accordance with the terms of the indenture and have been delisted from the Toronto Stock Exchange.

Selected Financial Information

(dollar amounts in thousands of U.S. Dollars, except per share amounts)

	Year Ended December 31,		
	2025	2024 (as adjusted) [5]	2023
Consolidated investment properties	—	17	30
Consolidated owner-occupied properties	3	3	28
Properties held for sale	—	25	3
Total assets	$ 131,034	$ 640,138	$ 828,283
Total indebtedness	$ 33,372	$ 394,839	$ 288,245
Weighted average interest rate on debt [1]	9.3 %	6.6 %	6.6 %
Joint venture properties	4	8	8
Joint venture total assets [2]	$ 109,374	$ 202,241	$ 159,715
Joint venture indebtedness [2]	$ 60,533	$ 107,829	$ 83,689
Joint venture weighted average interest rate on debt	6.7 %	7.3 %	5.0 %

	Year ended December 31,		
	2025	2024 (as adjusted) [5]	2023
Revenue [3]	$ 76,786	$ 167,869	$ 192,829
Direct property operating expenses [3]	$ 45,699	$ 99,163	$ 105,713
Net finance costs [3]	$ 20,527	$ 49,694	$ 55,134
General and administrative expenses [3]	$ 11,900	$ 21,770	$ 19,610
Change in fair value of investment properties [3]	$ 35,794	$ 4,147	$ 64,670
Income (loss) from joint ventures [3]	$ (8,352)	$ (6,194)	$ (4,133)
Net income (loss)	$ (31,490)	$ (33,219)	$ (99,240)
Total comprehensive income (loss)	$ (29,618)	$ (36,668)	$ (98,191)
Funds from operations (FFO) [4]	$ (3,623)	$ 4,793	$ 18,920
Adjusted funds from operations (AFFO) [4]	$ 1,452	$ 5,749	$ 17,128

(1) The Company's weighted average interest rates at December 31, 2025 and December 31, 2024 included $nil and $9,684 respectively, of the Company's debt that is fixed with interest rate swaps that had a term that extended over periods that were shorter in term and duration as compared to the variable debt then outstanding.

(2) This total represents the Company's investment share based on percentage of equity ownership.

(3) Represents amounts from continuing operations, and excludes activity from the medical office building segment, which has been classified as discontinued operations. The final medical office building previously held by the Company was sold during the year.

(4) FFO and AFFO, and related per share amounts, are financial measures not defined under IFRS. Please refer to the "Financial Measures not Defined Under IFRS" section of this MD&A.

(5) During 2025, management corrected an immaterial error relating to the period ended December 31, 2024. Depreciation expense totaling $2,918 was incorrectly recorded in the fourth quarter of 2024 in connection with property, plant, and equipment referenced in the table above subsequent to its classification as held for sale in September 2024. As a result, the carrying value of property, plant, and equipment classified within Assets Held for Sale was understated as at December 31, 2024, and depreciation expense, as well as net loss and comprehensive loss were overstated by the same amount for the year then ended.

The adjustment resulted in an increase of $2,918 and impacts the following captions within the comparative statement of financial position as at December 31, 2024 as presented in the Company's annual consolidated financial statements: Assets held for sale - PP&E previously reported $315,254; as adjusted $318,172; Total assets previously reported $637,220; as adjusted $640,138; Shareholders' equity previously reported $119,172; as adjusted $122,090; Total liabilities and shareholders' equity previously reported $637,220; as adjusted $640, 138. In addition, the cumulative deficit as at January 1, 2025 as reported within the consolidated statements of changes in shareholder's equity has been adjusted by $2,918 resulting in a decrease from ($505,454) as previously reported as at December 31, 2024 to an amount as adjusted of ($502,536).

In addition, the net loss and depreciation expense captions per the Company's consolidated statement of cash flows for the year ended December 31, 2024 were adjusted by the same amount as noted above, which impacts only the Operating Activities within the statement of cash flows.

Results of Operations - Three Months and Years Ended December 31, 2025 and 2024
(unless otherwise stated, amounts are in thousands of U.S. dollars)

Revenue from continuing operations

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Contractual rental revenue	$ —	$ 3,225	$ 7,468	$ 16,885
Straight-line rent adjustments	—	122	282	1,180
Amortization of tenant inducements	—	(60)	(120)	(242)
Amortization of leasing commission	—	(5)	(8)	(20)
Property tax recoveries (expense)	—	866	1,923	4,061
Total rental revenue	—	4,148	9,545	21,864
Resident rental and related services revenue	2,112	32,096	59,873	136,895
Lease revenue from joint ventures	1,038	1,128	4,547	3,911
Other revenue	138	1,375	2,821	5,199
Total revenue	$ 3,288	$ 38,747	$ 76,786	$ 167,869

Contractual rentals received and straight-line rent adjustments relate to lease agreements under which the Company leases its investment properties to its operator tenants. Property tax recoveries represent the revenue recognized for the real estate taxes for which the property tenants are obligated and responsible to pay. The decreases in contractual rental revenue for the three months and year ended December 31, 2025 as compared to the prior year period is primarily due to the sale of investment properties in the prior year and current year to date period. As of September 16, 2025, the Company no longer owns interest in triple-net leased investment properties.

Resident rental and related revenue relate to operating revenue at the wholly owned properties that were managed by subsidiaries Commonwealth, Chapters Living ("Chapters"), Viva Senior Living ("Viva") and Constant Care Management Company ("Constant Care"), where the Company owned or owns the real estate and is the operator of the facility. This revenue consisted of rental revenue and service revenue paid by residents in the Company's owner-occupied properties. The decrease in resident rental and related revenue over the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to the dispositions of seven Commonwealth properties in October 2024 and the dispositions of 20 properties in the Foxhound portfolio opearted by Commonwealth in June 2025, partially offset by rate increases at Commonwealth during the period and the acquisition of operating agreements at four properties that were formerly operated under triple net leases with the Company and its tenant. During the fourth quarter of 2025, and on a go-forward basis, the Company's portfolio of consolidated owner-occupied properties consists of one property in Arkansas and two in Texas, all of which are operated by Constant Care and are expected to see steady or increasing revenues in 2026. The three properties encompass 100% of the fourth quarter resident rental and related services revenue in 2025.

Lease revenue from joint ventures represents revenue earned under lease arrangements with four Autumnwood operating entities, which were jointly owned by the Company with a third party. Lease revenue from joint ventures contractually escalated at a minimum of 3.5% each calendar year. In addition to the preferred contractual interest income, the Company also received a share of distributions from certain expansion operations held and operated by the joint ventures. The Company sold its interests in these four operating entities in December 2025 as part of the sale of a subsidiary of the Company.

Other revenue includes management fee income earned from communities managed by Commonwealth but that were not owned by the Company. Prior to the sale of the Company's interest in Commonwealth, the operator managed 13 properties that were not owned by the Company.

Other income from continuing operations

Other income for the three months and year ended December 31, 2025 was $nil and $nil (three months and year ended December 31, 2024 - $nil and $1,500, respectively, of income recognized in connection with a lease transition payment pursuant to the disposition of the Saber Healthcare Group ("Saber") buildings).

Direct property operating expenses from continuing operations

Direct property operating expenses consist of the following:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Repairs and maintenance	$ 11	$ 791	$ 1,446	$ 2,838
Utilities	200	959	2,062	3,725
Compensation and benefits	2,368	18,004	29,364	66,378
Other services and supplies	161	2,223	3,455	8,475
Administrative and marketing	91	2,216	4,128	9,669
Real estate taxes	25	662	1,085	2,024
Insurance	98	728	1,277	2,789
Other	300	921	2,882	3,265
	$ 3,254	$ 26,504	$ 45,699	$ 99,163

The direct property operating expenses relate to expenses at the Company's owner-occupied properties. As of December 31, 2025, the owner-occupied properties include three properties operated by Constant Care. The decrease in direct property operating expenses for the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to dispositions of seven Commonwealth properties in October 2024 and the disposition of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025, partially offset by general inflationary increases in expenses and the transition from triple-net leased investment properties to wholly-owned operations at the three properties mentioned above.

Depreciation expense from continuing operations

For the three months and year ended December 31, 2025, depreciation expense was $385 and $1,571, respectively (three months and year ended December 31, 2024 - $403 and $10,338, respectively), which relates to the straight-line depreciation over the useful life of the Company's property, plant and equipment relating to the owner-occupied properties. The decrease in depreciation expense for the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to the dispositions of seven Commonwealth properties in October 2024 and the disposition of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025 (previously classified as held for sale; depreciation ceased upon this classification), partially offset by increased depreciation resulting from capital additions in the year and the transfer in of property, plant and equipment at three Constant Care properties.

Net finance costs from continuing operations

Net finance costs from operations consist of the following:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Interest expense on credit facilities	$ —	$ 4,031	$ 6,510	$ 20,927
Interest expense on mortgages payable	455	2,798	6,428	12,402
Interest expense on debentures	666	862	2,669	5,017
Interest expense on interest rate caps and swaps [(1)]	52	4,452	580	4,452
Dividends on Commonwealth preferred units	—	1,277	2,190	4,571
Amortization and accretion expense	91	1,868	1,821	5,551
Net interest rate swap receipts	—	(676)	(675)	(4,347)
Debt extinguishment costs	67	—	1,187	273
Gain on loan exchange	—	656	—	(5,405)
Gain on convertible debenture extinguishments	—	(5,376)	—	—
Amortization of mark-to-market debt adjustments	—	1,328	(183)	6,253
	$ 1,331	$ 11,220	$ 20,527	$ 49,694

(1) For the three months and year ended December 31, 2025, the Company included initial premiums paid for interest rate swaps and caps and a currency exchange rate option, as well as the amortization of premiums paid for such contracts, as interest expense.

Net finance costs are primarily related to interest and amortization of loan costs on the Company's credit facilities and mortgages payable. Interest expense on credit facilities decreased in the three months and year ended December 31, 2025 as compared to the prior year periods due to principal repayments made on the Company's corporate credit facility, which was fully settled in August 2025. Interest expense on mortgages payable decreased in the three months and year ended December 31, 2025, as compared to the prior year periods due to the settlement of mortgages in conjunction with the dispositions of seven Commonwealth properties in October 2024, the dispositions of 20 properties in the Foxhound portfolio in June 2025, and the dispositions of various other investment properties in 2025, partially offset by an increase in the weighted average borrowing rate on mortgage debt. The interest expense on interest rate caps and swaps was a result of short-term interest rate swap and cap premiums paid in the current year and the amortization of prior period premiums. The Commonwealth preferred units were issued by the Company as partial consideration for the Commonwealth acquisitions in a prior period and earned an initial dividend rate of 8.00% per annum and were subsequently extinguished upon closing of the Foxhound portfolio sale with a third party. Amortization and accretion expense decreased in the three months and year ended December 31, 2025 as compared to the prior year periods due to the accretion of the 2018 Convertible Debentures equity components in the prior year period. Debt extinguishment costs increased in the current year due to multiple mortgage settlements as described above. Changes in amortization of mark-to-market debt adjustments in the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to fair market adjustments involving the 2018 Convertible Debentures resulting from the amended terms in May 2023 and September 2023 being recognized over the amended term to maturity on an amortized cost basis. The 2018 Convertible Debentures were settled as part of the modification in 2024.

Interest income from loans receivable from continuing operations

For the three months and year ended December 31, 2025, interest income from loans receivable was $413 and $1,290, respectively three months and year ended December 31, 2024 - $473 and $1,076, respectively). Interest income is related to loans issued to operating partners and third-party entities for purposes of the development of seniors housing and care properties, operating capital expenditures or other costs or for seller financing as a part of portfolio disposition transactions. The increase in interest income for the year ended December 31, 2025 as compared to the prior year periods is due to a significant amount of additional loans (over $14,500 in principal) in 2025, partially offset by the impairment of the Memory Care America LLC ("MCA") loan (100%) and the Morrell Hulse loan (100%).

Real estate tax expense & change in fair value of investment properties - IFRIC 21 from continuing operations

For the three months and year ended December 31, 2025, real estate tax expense (recovery) was $0 and $1,923, respectively (three months and year ended December 31, 2024 - $23 and $4,061, respectively), which represents property tax expensed or recovered for the period for properties owned on the tax assessment date (generally January 1), in accordance with the provisions of *IFRIC 21, Levies*. Real estate taxes are recovered from the Company's tenants under the provisions of their triple-net leases and are reflected as part of revenue on a gross basis. The change in real estate tax expense (recovery) as compared to the prior year periods is primarily due to the disposition of investment properties and corresponding true-ups of actual tax bills. Real estate tax expense (recovery) at the Company's owner-occupied properties operated by Commonwealth are included in direct property operating expenses in the consolidated statements of loss and comprehensive loss.

The following table presents real estate tax expense (recovery) and change in fair value of investment properties - IFRIC 21 together with property tax recoveries to show the net effect of real estate taxes on the Company's consolidated statements of loss and comprehensive loss for the periods presented. The expense in excess of property tax revenue is due to properties within the owner-occupied segment.

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Revenue - property tax recoveries	$ —	$ (866)	$ (1,923)	$ (4,061)
Real estate tax expense (recovery)	—	23	1,923	4,061
Change in fair value of investment properties - IFRIC 21	128	843	—	—
	$ 128	$ —	$ —	$ —

General and administrative expenses from continuing operations

General and administrative expenses consist of the following:

	Three months ended December 31, 2025			Three months ended December 31, 2024		
	Corporate	CSL[(1)]	Total	Corporate	CSL	Total
Compensation and benefits	$ 1,162	$ —	$ 1,162	$ 1,781	$ 2,280	$ 4,061
Professional fees	504	—	504	485	3	488
Deferred share compensation	—	—	—	(9)	—	(9)
Insurance	131	—	131	168	—	168
Rent	37	—	37	114	—	114
Other	32	(167)	(135)	(270)	319	49
	$ 1,866	$ (167)	$ 1,699	$ 2,269	$ 2,602	$ 4,871

(1) Defined below.

	Year ended December 31, 2025			Year ended December 31, 2024		
	Corporate	CSL	Total	Corporate	CSL	Total
Compensation and benefits	$ 4,156	$ 3,718	$ 7,874	$ 7,403	$ 8,477	$ 15,880
Professional fees	2,289	6	2,295	2,741	214	2,955
Deferred share compensation	2	—	2	(77)	—	(77)
Insurance	564	—	564	680	—	680
Rent	289	—	289	446	—	446
Other	207	669	876	538	1,348	1,886
	$ 7,507	$ 4,393	$ 11,900	$ 11,731	$ 10,039	$ 21,770

Compensation and benefits expense includes the cost of salaries, bonuses, and benefits during the period. The decrease in compensation and benefits for the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to a prior year executive severance arrangement totaling $3,060 at corporate and the dispositions of seven Commonwealth properties in October 2024 and the dispositions of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025, partially offset by inflationary increases in the cost of labor.

Professional fees are comprised of costs incurred for external legal counsel, external audit and accounting fees and other professional services. Professional fees decreased for the year ended December 31, 2025 as compared to the prior period due to reduced legal and audit fees in the current year period. Professional fees in the three-month period ended December 31, 2025 as compared to the prior period were at similar amounts.

The change in deferred share compensation expense for the three months and year ended December 31, 2025 as compared to the prior year period is primarily due to no additional employee grants being made, previous employee grants becoming fully amortized and the Company's declining share price which impacts the grant-date fair value.

Other general and administrative expenses primarily include cost of insurance, fees earned by directors of the Company, travel and entertainment expense, franchise and licensure taxes, investor relations, marketing, and administrative expenses at Commonwealth management company ("CSL"). Other general and administrative expenses decreased year over year as a result of a corporate initiative to reduce such costs.

Allowance for expected credit losses from continuing operations

Allowance for credit losses on loans and interest receivable for the three months and year ended December 31, 2025 was $(1,707) and $2,533, respectively (three months and year ended December 31, 2024 - $3,127 and $4,011, respectively). The decrease in credit losses in the current year periods as compared to the prior year periods was due to the receipt and recovery of $3,700 related to a previously written off loan receivable from Mainstreet Investment Company in 2022, partially offset by the issuance of additional loans in 2024 and 2025 net of increased allowances for the MCA loan and the

Morrell Hulse loan. The Company applies a three-stage approach to measure allowance for credit losses. Loss allowance is measured at an amount equal to 12 months of expected losses for performing loans (Stage 1) and at an amount equal to lifetime expected credit losses on performing loans that have seen a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected credit losses for loans considered to be credit impaired (Stage 3). Certain borrowers have experienced negative impacts to operations due in part to economic challenges, and the Company has accordingly ascribed a higher risk rating to these outstanding loans. As of December 31, 2025, the Company's assessment of recoverability for the Morrell Hulse and the MCA loans resulted in increased allowances of 100% relative to the outstanding loan balances due to continued non-payment and performance in 2025, among other considerations. However, the Company continues to pursue collection of both loans receivable.

Change in non-controlling interest liability

The change in non-controlling interest liability was an expense (income) of $0 and $(4), respectively, for the three months and year ended December 31, 2025 (three months and year ended December 31, 2024 - $279 and $805, respectively). These amounts represent the portion of net income or loss attributed to the non-controlling interest partners of consolidated properties in the owner-occupied reportable segment that were sold in late 2023 and early 2024 and one investment property whereby the Company controlled but did not own 100% of the investment. The decrease in non-controlling interest expense during the year ended December 31, 2025, as compared to the prior year period is primarily due to the sale of the consolidated properties mentioned above as well as an adjustment made to value a non-controlling interest liability that was acquired by the Company subsequent to June 30, 2025.

Change in fair value of investment properties from continuing operations

The change in estimated fair value of investment properties for the three months and year ended December 31, 2025 were decreases of $910 and $35,794, respectively (three months and year ended December 31, 2024 - decreases of $2,449 and $4,147, respectively). The change in fair value of investment properties was primarily driven by adjustments to measure investment properties at fair value based on the Company's estimate of fair value using level 3 inputs as of December 31, 2025. The adjustments for the year ended December 31, 2025 were primarily driven by downward adjustments to ten memory care assets, one seniors housing asset, and four assets within the Autumnwood portfolio that were all sold in the current year.

Impairment of property, plant and equipment from continuing operations

Impairment of property, plant and equipment for the three months and year ended December 31, 2025, was $1,164 and $1,229, respectively (three months and year ended December 31, 2024 - $985 and $3,095, respectively). The decrease in impairment of property, plant and equipment for the year was due to a prior period impairment of a senior housing facility in Maryland driven by declining operational performance. Impairment expense in the three months ended December 31 2025, was due to an impairment assessment related to a memory care facility in Arkansas.

Change in fair value of financial instruments from continuing operations

Change in fair value of financial instruments consists of the following:

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Change in fair value of interest rate swaps and caps	$ (113)	$ 2,379	$ 707	$ 3,407
Change in fair value of prepayment embedded derivatives	—	(151)	111	(21)
Change in fair value of loans receivable classified as FVTPL	2,724	—	2,724	—
Total loss (profit) from change in fair value of financial instruments	$ 2,611	$ 2,228	$ 3,542	$ 3,386
Change in fair value of profit participation investment	$ 370	$ —	$ 370	$ —

The change in fair value of financial instruments for the three months and year ended December 31, 2025 and 2024 was due to changes in variable interest rates that form part of the corresponding interest rate swaps and caps. The change in fair value of financial instruments is also due to the change in fair value of prepayment embedded derivatives on certain mortgages payable due to changes in market interest rates. The Company does not apply hedge accounting to its interest rate derivatives. These derivatives are adjusted to fair value each reporting period. As of December 31, 2025, the Company no longer has interests in derivative financial instruments. The change in fair value of the loan receivable classified as FVTPL is due to the change in valuation to a carrying value of $nil in respect of the loan receivable from Javelina Ventures, LLC. The change in fair value of profit participation investment increased for the three months and year ended December 31, 2025, as compared to the prior year period due to declining operating performance of the underlying properties.

Share of net losses from joint ventures

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Revenue	$ 11,390	$ 10,585	$ 43,615	$ 41,860
Property operating expense	9,147	8,865	36,094	35,307
Finance costs	2,569	2,223	9,429	7,633
General and administrative expenses	1	—	10	30
Transaction costs	—	—	1,199	—
Change in fair value of financial instruments	(180)	—	(117)	896
Change in fair value of investment properties	6,411	102	5,368	4,188
Loss on sale of joint venture	—	—	(16)	—
Loss from joint ventures	$ (6,558)	$ (605)	$ (8,352)	$ (6,194)

Loss from joint ventures represents the Company's share of net losses from entities in which the Company has an equity or jointly controlled interest accounted fro under the equity method. The change in net loss from joint ventures during the three months and year ended December 31, 2025 as compared to the prior year periods is primarily due to the change in the estimated fair value of investment properties, and increased operating and finance costs at a leasing-up senior living facility in Parker, Colorado. Finance costs also increased in the current year period as compared to the prior year period due to the maturity of an interest rate swap in the second quarter of 2024, resulting in higher interest costs based on interest rate movements. Finance costs increased year over year in the three-month periods due to accelerated amortization of loan fees associated with loans that were settled in conjunction with property sales of four joint ventures late in the fourth quarter of 2025. Transaction costs increased in the current year period due to the sale of four joint venture investment properties in December 2025.

Income tax expense (recovery) from continuing operations

For the Canadian and U.S. corporate subsidiaries of the Company, income tax expense/recovery is comprised of current and deferred tax. Certain subsidiaries of the Company are limited partnerships and, accordingly, are not subject to income tax. Taxable income or loss of the partnerships is allocated to their partners, which includes the Company. Current income tax expense was $nil for the current year period, despite the net income for the period, due to the application of carryover losses.

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. The deferred tax asset value is limited based on the probability of realizing the future benefits. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The deferred income tax recovery recorded in the prior year period is a reversal of the 2023 deferred tax liability, due to 2024 losses.

The Company anticipates that future current income tax expense will result from distributions from its U.S. subsidiaries to the Canadian corporation, which will be subject to a 5% withholding tax when realized. No such distributions were made during the periods presented.

Other comprehensive loss: unrealized gain (loss) on translation of foreign operations

Unrealized loss on translation of foreign operations for the three months and year ended December 31, 2025 were losses of $297 and $1,872, respectively (three months and year ended December 31, 2024 - gains of $(2,493) and $(3,449), respectively). The change in gain (loss) on translation of foreign operations for the three months and year ended December 31, 2025 as compared to the prior year periods was due to the change in value of the Canadian dollar as compared to the U.S. dollar during the period applied to the Company's net investment in the foreign operations with a Canadian functional currency. During the three months and year ended December 31, 2025 the Company reclassified $1,772 and $1,772, respectively (three months and year ended December 31, 2024 - $72 and $63, respectively, related to activity within medical office buildings) of previously unrealized foreign exchange loss to realized foreign exchange loss related to a Canadian subsidiary disposed in the current year period.

Cash Flow Analysis

	Year ended December 31,	
	2025	2024
Cash provided by (used in) operating activities	$ (13,627)	$ 9,273
Cash used in financing activities	(357,654)	(154,074)
Cash provided by investing activities	392,458	152,213
Increase (decrease) in cash and cash equivalents	$ 21,177	$ 7,412

Cash Provided by (Used in) Operating Activities

Cash from operating activities decreased during the year ended December 31, 2025 as compared to the prior year period. The decrease is primarily a result of cash balances sold as part of disposal groups and decreased cash flows resulting from property dispositions during both years and volume associated with remaining properties, which are expected to cover obligations of the Company as they become due moving forward.

Cash Used in Financing Activities

Cash used in financing activities for the year ended December 31, 2025 was $357,654 as compared to cash used in financing activities of $154,074 in the prior year period. Cash used in financing activities in the current year period was primarily driven by net activity on mortgages payable and credit facilities, which included principal payments totaling $361,246, partially offset by cash proceeds from issuance of mortgages of $6,133. The majority of current year debt paydowns were driven by sales of previously encumbered properties. Cash used in financing activities in the prior year period was primarily driven by net activity on mortgages payable and credit facilities, which included principal payments totaling $203,253 using proceeds generated from property dispositions.

Cash Provided by Investing Activities

Cash provided by investing activities for the year ended December 31, 2025 was $392,458 as compared to cash provided by investing activities of $152,213 in the prior year period. The increase in cash from investing activities as compared to the prior period was due to dispositions of assets during both years, partially offset by contributions to the Company's joint venture investments.

Financial Position

Total assets of $131,034 are comprised primarily of $25,532 of property, plant and equipment, net of $3,456 of accumulated depreciation as at December 31, 2025. Cash on hand at December 31, 2025 was $39,334, net loans receivable were $16,639, investments in joint ventures were $45,191 and other assets were $2,230. Total gross loans receivable of $27,274 is partially offset by an allowance for losses on loans receivable of $9,805. Gross loans receivable includes $2,856 of gross loans made to Symcare, $3,893 of gross loans made to Memory Care America, and $1,988 of gross loans made to Morrel Hulse, all of which are 100% fully reserved. Other assets consisted of $337 of escrows held by lenders, $389 of prepaid expense, $205 of right-of-use asset, $225 of bond assets and $744 of other costs. In addition, current assets include tenant and other receivables of $2,108. The loans receivable balance relates mainly to the issuance of loans to third parties for the operation of seniors housing and care properties in the United States.

Total liabilities of $36,753 includes current liabilities of $3,310 (see "Liquidity and Capital Resources" for additional information) and non-current liabilities of $33,443. The current liabilities included $437 of real estate taxes payable. Accounts payable and accrued liabilities represent $2,379 of the balance in current liabilities. Non-current liabilities included $6,072 representing the non-current portion of mortgages payable, net of loan fees, and $27,300 of the debentures. Other non-current liabilities of $71 primarily consisted of a lease liability.

Summary of Quarterly Results

The following table summarizes the Company's quarterly unaudited financial information from January 1, 2024 through December 31, 2025:

	Three months ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024 [3]	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024
Revenue [1]	$ 3,288	$ 6,588	$ 29,548	$ 37,392	$ 38,747	$ 42,381	$ 43,099	$ 43,642
Other income [1]	—	—	—	—	—	—	—	1,500
Direct property operating expenses [1]	1,977	3,254	17,705	22,763	23,444	26,504	24,565	24,650
Depreciation expense [1]	385	384	398	404	403	2,916	3,551	3,468
Net finance costs from operations [1]	1,331	3,506	7,545	8,145	11,220	12,878	12,547	13,049
Interest income from loans receivable (expense) [1]	413	327	296	254	473	200	189	214
Real estate property tax expense (recovery) [1]	—	(1,155)	(382)	3,460	23	(2,074)	(61)	6,173
General and administrative expenses [1]	1,699	1,271	4,814	4,116	4,871	3,824	7,859	5,216
Transactions costs, net	974	1,396	1,635	135	1,403	20	42	276
Allowance for expected credit losses, net of recoveries [1]	(1,707)	2,333	1,574	333	3,127	429	195	260
Changes in non-controlling interest liability [1]	—	24	(52)	24	279	214	188	124
Change in fair value of investment properties - IFRIC 21 [1]	128	1,586	1,276	(2,990)	843	1,999	1,609	(4,451)
Change in fair value of investment properties [1]	910	19,935	6,432	8,517	(2,449)	261	5,976	359
Impairment of property, plant and equipment [1]	1,164	44	11	10	985	280	454	1,376
Change in fair value of financial instruments [1]	3,094	(113)	507	424	(4,185)	2,228	777	381
Loss (gain) on disposition [1]	(1,076)	682	(30,323)	—	875	(209)	(18)	(8)
Income (loss) from joint ventures [1]	2,125	(6,558)	(2,736)	(1,183)	(2,935)	(605)	(1,448)	(1,206)
Deferred income tax expense (recovery) [1]	—	—	—	—	—	—	(716)	(889)
Net income (loss) from continuing operations	(4,826)	(32,820)	15,968	(8,878)	(4,554)	(7,294)	(15,128)	(5,834)
Net income (loss) from discontinued operations	(504)	(344)	(21)	(65)	917	(229)	(687)	(410)
Net income (loss) for the period	(5,330)	(33,164)	15,947	(8,943)	(3,637)	(7,523)	(15,815)	(6,244)
Funds from operations [2]	(2,138)	(3,046)	(1,491)	2,052	(216)	1,081	1,424	2,504
Adjusted funds from operations [2]	(1,212)	31	418	2,215	1,554	1,003	1,111	2,081

(1) Represents amounts presented from continuing operations, and excludes activity from the medical office building segment, which has been reported as discontinued operations.

(2) Funds from operations and adjusted funds from operations, and related per share amounts, are supplemental financial measures which are not defined by IFRS. See "*Financial Measures not Defined Under IFRS*".

(3) As adjusted. See Selected Financial Information for details of the recast of applicable financial information.

The Company's results for the past eight quarters have primarily been affected by the timing of property dispositions, as well as changes in the fair value of investment properties and financial instruments, finance costs subject to the interest rate environment, and movement in the allowance for credit losses on loans receivable and interest receivable in certain periods. Refer to the "Summary of Quarterly Results" and "Recent Activities" section of this MD&A for details of the results.

Liquidity and Capital Resources

The Company's objectives when managing capital are to ensure sufficient liquidity to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk while preserving the ability to meet financial obligations.

The capital of the Company consists of mortgages payable, debentures, and shareholders' equity.

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 moving forward. As at December 31, 2025, current liabilities totaled $3,310, and current assets totaled $43,578, resulting in a working capital surplus of $40,268 (December 31, 2024 - $412,489, $352,852 and $59,637 deficit, respectively).

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 (ii) cash flows generated from operations, (iii) property-specific mortgages and refinancings and (iv) strategic sale of assets. The Company also has the ability to raise additional liquidity through issuance of common shares, subject to market conditions, and alternative financing sources. With respect to near-term debt maturities, related exclusively to mortgages, the Company believes it will be successful in either refinancing or settling the debt through sales of the underlying assets that secure such debts. However, any refinancing transaction involves inherent risk of the current market interest rate environment.

In addition, liquidity risk is managed in part through cash forecasting. 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 related to mortgage 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, and covenant compliance required under the terms of various mortgage 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, while considering externally imposed capital requirements, sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In managing its capital structure, the Company monitors performance throughout the year 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 to support the broader corporate strategy or in response to economic conditions and the risk characteristics of the underlying assets. 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 strategically use cash available from sale transactions to reduce the amount of existing debt or settle higher interest-bearing debt to reduce risk of the Company's debt profile. In January 2026, the Company used cash on had to fully settle the $27,300 of debentures outstanding prior to the maturity date.

Debt Strategy and Indebtedness

Debt Strategy

The Company utilizes conventional property-specific or portfolio-specific secured mortgages. Management's objectives are to access the lowest cost debt with flexible terms and to diversify the Company's lender base. Management monitors the Company's debt by reviewing the debt to total assets ratio, interest coverage ratio, debt maturity schedule, and ratio of fixed versus variable rate debt.

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

These instruments are measured at fair value each reporting period through the change in fair value of financial instruments in the consolidated statements of loss and other comprehensive loss, when relevant.

Indebtedness

		Principal Amount	Weighted Average Interest Rate	Years to Maturity [2]
Fixed Rate Indebtedness				
2024 Debentures [1]	$	27,300	9.8 %	2.0
		27,300	9.8 %	2.0
Variable Rate Indebtedness				
Mortgages payable	$	6,133	7.3 %	1.3
		6,133	7.3 %	1.3
Total indebtedness	$	33,433	9.3 %	1.9
Loan fees and issue costs, net of amortization and accretion		(61)		
Carrying amount	$	33,372		

(1) The Company settled the debentures in full in January 2026 prior to its stated maturity date with cash on hand.

(2) Years to maturity does not include the exercise of extension options available to certain mortgages, where available, and which are generally exercisable at the Company's discretion, subject to certain contractual conditions.

Joint Venture Indebtedness

		Principal Amount	Weighted Average Interest Rate	Years to Maturity [2]
Fixed rate mortgages payable	$	20,397	7.0 %	1.9
Variable rate mortgages payable		52,262	SOFR plus 2.50% to SOFR plus 3.50%	2.2
Total Indebtedness	$	72,659	6.7 %	2.1
Less loan fees, net of amortization		(734)		
Carrying amount	$	71,925		
Company's share of carrying amount	$	60,533		

2024 Debentures

The 2024 Debentures were not convertible for common shares of the Company, incurred interest of 9.75% per annum and were set to mature on December 30, 2027. On January 23, 2026, the Company redeemed the debentures in full.

Debt Covenant Compliance

The Company's mortgage debt includes various financial covenants which include, but are not limited to, debt service coverage ratios, fixed charge ratios and debt yields. At December 31, 2025, the partnership between the Company and Parker EREP HDG, LLC (the "Parker partnership") did not comply with a debt service coverage covenant requirement related to a loan agreement held in a joint venture arrangement with Terra Bluffs involving the Parker property. However, the Parker partnership obtained a loan modification agreement on March 4, 2026 from the lender that set aside the debt service coverage requirement for December 31, 2025. The modification requires an interim debt service coverage ratio covenant of 1.0x to be achieved as of June 30, 2026, subsequent to which the ratio reverts to the previous loan covenant of 1.2x. The Parker partnership has guaranteed the payment of amounts due under the mortgage with the lender. The outstanding amount of the mortgage at December 31, 2025 was $20,397, which is not reflected in the Company's

consolidated liabilities at December 31, 2025. The mortgage was otherwise classified as current as of December 31, 2025. In addition, the Company did not comply with net operating income year-end requirements related to the mortgage held in the Lansdale joint venture. However, the loan agreement features a cure allowing the debt reserve funded by the Company to be applied as principal payments such that compliance is achieved. At December 31, 2025, the Company was in compliance with all other debt covenants. The Company expects to satisfy the mortgage covenant requirements in 2026 as stipulated, which may include waivers, consideration of certain cure periods or further paydowns of principal amounts.

As of March 19, 2026, the Company anticipates being compliant with all covenants in the next 12 months.

Repayment Summary

Management attempts to stagger the maturity of the Company's mortgage debt to achieve a distribution of maturities over a time horizon. This strategy reduces the Company's exposure to interest rate fluctuations on its variable rate debt in any one period and reduces liquidity risk.

Contractual Commitments

A summary of future contractual commitments as at December 31, 2025, including expected interest payments, is as follows:

	Total	2026	2027	2028	2029	2030	Thereafter
Mortgages payable principal	$ 6,133	$ —	$ 6,133	$ —			
Debentures principal [1]	27,300	—	27,300	—	—	—	—
Total principal	$ 33,433	$ —	$ 33,433	$ —	$ —	$ —	$ —
Percentage of total	100.0 %	— %	100.0 %	— %	— %	— %	— %
Mortgages payable interest	$ 603	$ 453	$ 150	$ —	$ —	$ —	$ —
Debentures interest [1]	5,324	2,662	2,662	—	—	—	—
Accounts payable and accrued liabilities	2,379	2,379	—	—	—	—	—
Accrued real estate taxes	437	437	—	—	—	—	—
Other liabilities	565	494	71	—	—	—	—
Total other commitments	$ 9,308	$ 6,425	$ 2,883	$ —	$ —	$ —	$ —
Total commitments	$ 42,741	$ 6,425	$ 36,316	$ —	$ —	$ —	$ —

(1) The Company settled the debentures in full in January 2026, prior to its stated maturity date with cash on hand. Accordingly, the interest obligations in 2026 and 2027 have been reduced to $163 and nil, respectively.

Mortgages payable are and have been comprised of mortgages secured by individual investment properties or small portfolios of investment properties. The Company will address mortgages with short-term maturities by extending terms, refinancing or settling with proceeds from property sales.

Accounts payable consist primarily of professional fees, other general and administrative costs payable, accrued interest, and other accrued costs. The Company settles accounts payable from cash generated from operations. Other non-current liabilities relate to a lease liability. The Company expects to settle other non-current liabilities with cash on hand and generated from operations.

Financial Instruments and Other Instruments

To manage interest rate risk, the Company may enter into interest rate swap and cap agreements from time to time. Please refer to the "Debt Strategy and Indebtedness" section of this MD&A.

Off-Balance Sheet Items

Two of the properties sold within the Foxhound portfolio are subject to a put option whereby the Company may be obligated to purchase back both properties. The put option expires on June 30, 2026, with the strike price dependent on occupancy metrics as specified in the purchase and sale agreement. As of December 31, 2025, the Company has assessed, based on underlying performance of the properties, that there is minimal to no value in the put option on behalf of the current owner and therefore has not assigned any value to the executory contract.

Transactions Between Related Parties

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 currently owns a negligible percentage of the outstanding common shares of the Company.

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 class A convertible preferred shares previously issued by the Company for 716,875,000 common shares of the Company (the “Preferred Share Exchange”). The effective date of the exchange was December 30, 2024. 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 hold over approximately 80% of the Common Shares.

Critical Accounting Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses throughout the period. Actual results could differ from those 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. Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Liquidity assessment:

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 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.

Change in fair value of investment properties held within joint ventures:

The significant assumptions used when determining the fair value of investment properties held in the Company's joint venture investments are future cash flows over the holding period, terminal capitalization rates and discount rates for each property valued using the discounted cash flow approach. The terminal capitalization rates and discount rates applied are reflective of the characteristics, location and market of each investment property. The future cash flows over the holding period, of each investment property are based upon net operating income, which includes 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.

Impairment of loans receivable and property taxes 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.

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.

Risks and Uncertainties

See "Risk Factors" in the Company's 2025 AIF for a discussion of risks that could materially affect the Company, which risk factors are incorporated herein by reference.

Controls and Procedures

We are committed to maintaining effective disclosure controls and procedures and internal control over financial reporting. A control system, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that its objectives are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances and (ii) the impact of isolated errors. Additionally, controls may be circumvented by the unauthorized acts of individuals, by the collusion of two or more people, or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified under Canadian securities laws and to include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at December 31, 2025 and have concluded that, as of such date, the Company's disclosure controls and procedures were adequate and effective.

Internal Controls Over Financial Reporting

The Company is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance about the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer assessed, or caused an

assessment under their direct supervision of the design of our internal controls over financial reporting as at December 31, 2025, and based on that assessment, they determined that the Company's internal controls over financial reporting were appropriately designed and were operating effectively in accordance with the 2013 COSO framework as published by the Committee of Sponsoring Organizations of the Treadway Commission.

There were no changes in internal controls over financial reporting that occurred during the period ended December 31, 2025 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Outstanding Shares

As of March 19, 2026, 913,518,837 common shares in the capital of the Company were issued and outstanding.

As of March 19, 2026, assuming the voluntary conversion of all of the Exchangeable Units, a total of 138,675 common shares would be issued.

Financial Measures

Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO") are supplemental measures used by management to track the Company's performance. Management believes these terms reflect the operating performance and cash flow generating ability of the Company. The Company believes that AFFO and AFFO per share provide the most effective metric by which to evaluate the performance of the Company and to most accurately identify the cash flows available for distribution to shareholders. The Company considers RealPac's "White Paper on Funds From Operations and Adjusted Funds From Operations for IFRS" when determining and calculating these non-IFRS measures.

Funds From Operations

FFO means net income (loss) in accordance with IFRS, (i) plus or minus fair value adjustments of investment properties; (ii) plus or minus gains or losses from sales of investment properties; (iii) plus or minus certain other fair value adjustments; (iv) plus transaction costs expensed as a result of the sale or acquisition of property or modification of debt; (v) plus property taxes accounted for under IFRIC 21; (vi) plus allowance for credit losses on loans and interest receivable; (vii) plus accretion and amortization of non-cash adjustments to the 2016 Convertible Debentures and 2018 Convertible Debentures (viii) plus deferred income tax expense, current income tax expense, after adjustments for equity accounted entities calculated to reflect FFO on the same basis as consolidated properties and adjustments for non-controlling interests (ix) plus property taxes accounted for under IFRIC 21. In addition to complying with RealPac's explicit guidance on the calculation of FFO, the Company incrementally considers the following amounts in the calculation to more accurately measure the performance of its underlying operations:

i. accretion expense and amortization of non-cash adjustments to convertible debentures;
ii. debt extinguishment and refinancing costs; and
iii. executive severance.

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

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

The Company's FFO is calculated as follows (in thousands of U.S. dollars):

	Year ended December 31,	
	2025	2024 (as adjusted [1])
Net loss from continuing operations for the period	$ (30,556)	$ (32,810)
Add/(deduct):		
Change in fair value of investment properties	35,794	4,147
Property taxes accounted for under IFRIC 21	246	—
Depreciation and amortization expense	1,289	10,161
Amortization of tenant inducements	120	242
Accretion expense and amortization of non-cash adjustments to Convertible Debentures	—	9,101
Change in fair value of financial instruments	3,542	(799)
Change in fair value of profit participation investment	370	—
Realized loss on translation of foreign operations	1,773	—
Transaction costs	4,140	1,741
Gain on sale of property, plant and equipment	(30,717)	640
Impairment of property, plant and equipment	1,229	3,095
Executive severance	492	3,060
Deferred income tax recovery	—	(1,605)
Allowance for credit losses on loans and interest receivable	2,533	4,011
Change in non-controlling interest liability in respect of the above	(6)	(174)
FFO adjustments for equity accounted entities at share	6,454	5,076
FFO from continuing operations	$ (3,297)	$ 5,886
FFO from discontinued operations	(326)	(1,093)
Total FFO	$ (3,623)	$ 4,793
Total diluted funds from operations	$ (3,623)	$ 4,793

(1) See Selected Financial Information for further details of the recast of applicable financial information.

	Three months ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024 [1]	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024
Net income (loss) from continuing operations	$ (4,826)	$ (32,820)	$ 15,968	$ (8,878)	$ (4,554)	$ (7,294)	$ (15,128)	$ (5,834)
Add/(deduct):								
Change in fair value of investment properties	1,038	21,521	7,708	5,527	(1,606)	2,260	7,585	(4,092)
Property taxes accounted for under IFRIC 21	(128)	(1,586)	(1,399)	3,359	(843)	(1,999)	(1,609)	4,451
Depreciation expense	193	359	369	368	346	2,860	3,497	3,458
Amortization of tenant inducements	—	—	60	60	60	61	60	61
Accretion expense and amortization of non-cash adjustments to Convertible Debentures	—	—	—	—	1,925	2,645	2,383	2,148
Change in fair value of financial instruments	2,724	(113)	507	424	(4,185)	2,228	777	381
Change in fair value of profit participation investment	370	—	—	—	—	—	—	—
Realized loss on translation of foreign operations	1,773	—	—	—	—	—	—	—
Transaction costs	974	1,396	1,635	135	1,403	20	42	276
Debt extinguishment costs	—	—	—	—	—	—	—	—
Loss (gain) on disposition of property, plant and equipment	(1,076)	682	(30,323)	—	875	(209)	(18)	(8)
Impairment of property, plant and equipment	1,164	44	11	10	985	280	454	1,376
Executive severance	—	—	492	—	—	—	3,060	—
Deferred income tax expense (recovery)	—	—	—	—	—	—	(716)	(889)
Allowance for expected credit losses	(1,707)	2,333	1,574	333	3,127	429	195	260
Change in non-controlling interest liability in respect of the above	—	(3)	(2)	(1)	7	(12)	(171)	2
FFO Adjustments for equity accounted entities	(2,472)	6,231	1,914	781	2,391	84	1,299	1,302
FFO from continuing operations	$ (1,973)	$ (1,956)	$ (1,486)	$ 2,118	$ (69)	$ 1,353	$ 1,710	$ 2,892
FFO from discontinued operations	(165)	(90)	(5)	(66)	(147)	(272)	(286)	(388)
Total FFO	$ (2,138)	$ (2,046)	$ (1,491)	$ 2,052	$ (216)	$ 1,081	$ 1,424	$ 2,504
Interest, amortization and accretion expense on dilutive convertible units	—	—	—	—	—	—	950	950
Total diluted FFO from continuing operations	$ (2,138)	$ (2,046)	$ (1,491)	$ 2,052	$ (216)	$ 1,081	$ 2,374	$ 3,454

(1) As adjusted. See Selected Financial Information for further details of the recast of applicable financial information.

Adjusted Funds From Operations

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

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

i. transaction costs;
ii. debt extinguishment and refinancing costs;
iii. accretion expense and amortization of non-cash adjustments to convertible debentures,
iv. executive severance,
v. interest expense,
vi. bad debt at previously disposed properties; and
vii. interest savings from debenture extinguishment.

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

To the extent the Company's 2016 Convertible Debentures and 2018 Convertible Debentures were dilutive to AFFO per share, the related interest has been added back to calculate a diluted AFFO for purposes of calculating diluted AFFO per share.

The Company's AFFO is calculated as follows (in thousands of U.S. dollars):

	Year ended December 31,	
	2025	2024
Cash flows provided by (used in) operating activities	$ (13,627)	$ 9,273
Change in non-cash working capital	4,704	(3,037)
Less: interest expense [(1)]	(16,082)	(38,119)
Less: change in non-controlling interest liability	4	(805)
Plus: loss from joint ventures	(8,352)	(6,194)
Plus: interest paid	24,927	36,554
Less: interest received	(740)	(209)
Plus: debt extinguishment costs	—	583
Plus: realized loss on foreign currency translation	1,724	(63)
Plus: amortization of lease asset	(147)	7
Plus: non-cash portion of non-controlling interest expense	—	(161)
Plus: AFFO adjustments for equity accounted entities	7,959	5,274
Plus: deferred share incentive plan compensation	2	(77)
Less: executive severance	492	3,060
Plus: interest expense	671	—
Plus: bad debt at previously disposed properties	463	—
Plus: interest savings from debenture extinguishment	—	1,151
Plus: property taxes accounted for under IFRIC 21	246	—
Less: capital maintenance reserve	(792)	(1,488)
AFFO	$ 1,452	$ 5,749
AFFO from discontinued operations	(326)	(947)
AFFO from continuing operations	$ 1,778	$ 6,696
Total diluted adjusted funds from operations	$ 1,452	$ 5,749

	Three Months Ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024
Cash flows provided by (used in) operating activities	$ (1,445)	$ (2,416)	$ (9,963)	$ 197	$ 3,394	$ 5,336	$ (97)	$ 640
Change in non-cash working capital	(2,316)	2,192	2,346	2,482	(3,375)	(2,026)	(1,150)	3,514
Less: interest expense [1]	(760)	(1,605)	(6,187)	(7,530)	(7,928)	(9,785)	(9,809)	(10,597)
Less: change in non-controlling interest liability	—	(24)	52	(24)	(279)	(214)	(188)	(124)
Plus: loss from joint ventures	2,125	(6,558)	(2,736)	(1,183)	(2,935)	(605)	(1,448)	(1,206)
Plus: interest paid	1,829	1,803	13,853	7,442	8,601	8,613	9,926	9,414
Less: interest received	(475)	(76)	(84)	(105)	(53)	(32)	46	(170)
Plus: debt extinguishment costs (recoveries)	—	—	—	—	995	—	—	(412)
Plus: realized loss on foreign currency translation	1,724	—	—	—	(71)	(2)	3	7
Plus: amortization of lease asset	(167)	—	10	10	(11)	(10)	(8)	36
Plus: non-cash portion of non-controlling interest expense	—	—	—	—	7	(12)	(170)	14
Plus: AFFO adjustments for equity accounted entities	(1,529)	6,913	1,822	753	2,439	121	1,392	1,322
Plus: deferred share incentive plan compensation	—	—	—	2	(9)	(9)	(74)	15
Plus: executive severance	—	—	492	—	—	—	3,060	—
Plus: interest expense	—	—	671	—	—	—	—	—
Plus: bad debt at previously disposed properties	—	—	463	—	—	—	—	—
Plus: interest savings from debenture extinguishment	—	—	—	—	1,151	—	—	—
Plus: property taxes accounted for under IFRIC 21	—	—	(123)	369	—	—	—	—
Less: capital maintenance reserve [2]	(198)	(198)	(198)	(198)	(372)	(372)	(372)	(372)
AFFO	$ (1,212)	$ 31	$ 418	$ 2,215	$ 1,554	$ 1,003	$ 1,111	$ 2,081
AFFO from discontinued operations	(165)	(90)	(5)	(66)	(126)	(230)	(245)	(346)
AFFO from continuing operations	(1,047)	121	423	2,281	1,680	1,233	1,356	2,427
Interest expense on dilutive convertible units	—	—	—	—	—	—	—	950
Total diluted AFFO	$ (1,212)	$ 31	$ 418	$ 2,215	$ 1,554	$ 1,003	$ 1,111	$ 3,031

(1) Includes interest expense on the credit facilities, mortgages payable, convertible debentures, debentures, interest rate swaps and write off of deferred financing costs from refinancing.

(2) The Company deducts a capital maintenance reserve in its calculation of AFFO based on estimated quarterly expenditures related to sustaining and maintaining existing space. Expenditures that are related to new development or revenue enhancing renovations are excluded from this calculation.

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

INVESQUE INC.

Years ended December 31, 2025 and 2024

KPMG LLP
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Canada
Tel 416 777 8500
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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, 2025 and December 31, 2024
- 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, 2025 and December 31, 2024, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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, 2025. 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.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the fair value of investment properties held within joint ventures

Description of the matter

We draw attention to Notes 1(g)(i), 2(b), and 8 of the financial statements. The Entity uses the fair value model to account for investment properties held within investments in joint ventures, using primarily a discounted cash flow approach. The estimated fair value of investment properties at the Entity's share held within joint ventures is $102,682 thousand. Significant assumptions used when determining the fair value of investment properties include:

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 held within joint ventures as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of investment properties held within joint ventures 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 was 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 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 of Results of Operations and Financial Condition for the Year Ended December 31, 2025.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2025 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 of Results of Operations and Financial Condition for the Year Ended December 31, 2025 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 "2025 Annual Report" is expected to be made available to us after the date of this auditor's 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.



Chartered Professional Accountants, Licensed Public Accountants

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

Toronto, Canada

March 19, 2026

INVESQUE INC.

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

		December 31, 2025		December 31, 2024
Assets				(As adjusted - note 13)
Current assets:				
Cash	$	39,334	$	18,157
Tenant and other receivables (note 3)		2,108		6,978
Property tax receivables		—		2,064
Derivative financial instruments (note 11)		—		366
Loans receivable (note 4)		666		3,587
Assets held for sale (notes 14 and 15)		—		318,172
Other assets (note 5)		1,470		6,446
		43,578		355,770
Non-current assets:				
Loans receivable (note 4)		15,973		7,838
Derivative financial instruments (note 11)		—		224
Investments in joint ventures (note 8)		45,191		39,591
Investment properties (note 6)		—		207,526
Property, plant and equipment, net (note 7)		25,532		27,796
Other assets (note 5)		760		1,393
		87,456		284,368
Total assets	$	131,034	$	640,138
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	2,379	$	12,075
Accrued real estate taxes		437		3,862
Credit facilities (note 9)		—		219,315
Mortgages payable (note 10)		—		73,009
Other liabilities (note 12)		494		5,241
Liabilities related to assets held for sale (notes 14 and 15)		—		98,987
		3,310		412,489
Non-current liabilities:				
Mortgages payable (note 10)		6,072		75,215
Derivative financial instruments (note 11)		—		47
Debentures		27,300		27,300
Other liabilities (note 12)		71		2,328
Non-controlling interest liability		—		669
		33,443		105,559
Total liabilities		36,753		518,048
Shareholders' equity:				
Common share capital (note 16)		596,065		599,827
Contributed surplus		25,418		25,418
Equity component of convertible instruments		—		2,094
Exchangeable units		867		867
Cumulative deficit		(528,182)		(502,536)
Accumulated other comprehensive loss		113		(3,580)
Total shareholders' equity		94,281		122,090
Subsequent events (notes 28 and 29)				
Total liabilities and shareholders' equity	$	131,034	$	640,138

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,	
	2025	2024 (As adjusted - note 14)
Revenue:		
Tenant rental revenue (note 18)	$ 9,545	$ 21,864
Resident rental and related revenue (note 18)	59,873	136,895
Lease revenue from joint venture arrangements (note 8)	4,547	3,911
Other revenue	2,821	5,199
	76,786	167,869
Other income	—	1,500
Interest income from loans receivable	1,290	1,076
Expenses (income), fair value adjustments, and foreign exchange loss:		
Direct property operating expenses (note 19)	45,699	99,163
Depreciation expense (note 7)	1,571	10,338
Net finance costs from operations (note 20)	20,527	49,694
Real estate property tax expense	1,923	4,061
General and administrative expenses (note 21)	11,900	21,770
Transaction costs, net	4,140	1,741
Allowance for expected credit losses, net of recoveries (note 20)	2,533	4,011
Change in non-controlling interest liability	(4)	805
Change in fair value of investment properties (note 6)	35,794	4,147
Impairment of property, plant and equipment	1,229	3,095
Change in fair value of financial instruments (note 20)	3,542	(799)
Realized loss on translation of foreign operations (note 14)	1,773	—
Change in fair value of profit participation investment	370	—
Loss (gain) on dispositions (note 14)	(30,717)	640
	100,280	198,666
Share of net losses from joint ventures (note 8)	(8,352)	(6,194)
Loss before income taxes	(30,556)	(34,415)
Income tax recovery (expense):		
Deferred income tax recovery (note 24)	—	1,605
Net loss from continuing operations	$ (30,556)	$ (32,810)
Net loss from discontinued operations (note 15)	(934)	(409)
Net loss	(31,490)	(33,219)
Other comprehensive income (loss):		
Items to be reclassified to net loss in subsequent periods		
Unrealized gain (loss) on translation of foreign operations	—	(3,449)
Foreign currency translation reclassified to net loss	1,872	—
	1,872	(3,449)
Total comprehensive loss	$ (29,618)	$ (36,668)
Loss from continuing operations per share (note 17):		
Basic and diluted	$ (0.03)	$ (0.53)
Loss per share (note 17):		
Basic and diluted	$ (0.03)	$ (0.54)

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, 2025 and 2024

	Common share capital	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit (As adjusted - note 14)	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2025	$ 599,827	$ —	$ 25,418	$ 2,094	$ 867	$ (502,536)	$ (3,580)	$ 122,090
Net loss	—	—	—	—	—	(31,490)	—	(31,490)
Other comprehensive income (loss)	—	—	—	—	—	—	1,872	1,872
Realized loss on translation of foreign operations	—	—	—	—	—	—	1,821	1,821
Sale of Foxhound portfolio (note 14)	—	—	—	(2,094)	—	2,094	—	—
Common shares forfeited on loan receivable settlement (note 4)	(3,800)	—	—	—	—	3,750	—	(50)
Common shares issued on settlement of awards granted under the deferred share incentive plan (note 16)	38	—	—	—	—	—	—	38
Balance, December 31, 2025	$ 596,065	$ —	$ 25,418	$ —	$ 867	$ (528,182)	$ 113	$ 94,281

	Common share capital	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit (As adjusted - note 14)	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	—	—	—	—	—	(33,219)	—	(33,219)
Other comprehensive income (loss)	—	—	—	—	—	—	(3,449)	(3,449)
Cancellation of exchangeable units	—	—	—	—	(1,182)	—	—	(1,182)
Convertible debenture modification	13,349	—	7,732	(7,732)	—	—	—	13,349
Common shares issued on settlement of awards granted under the deferred share incentive plan (note 16)	5	—	—	—	—	—	—	5
Preferred share exchange (note 16)	68,103	(85,389)	17,286	—	—	—	—	—
Balance, December 31, 2024	$ 599,827	$ —	$ 25,418	$ 2,094	$ 867	$ (502,536)	$ (3,580)	$ 122,090

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, 2025 and 2024

		Year ended December 31, 2025		Year ended December 31, 2024
Cash flows from (used in) operating activities:				
Net loss	$	(31,490)	$	(33,219)
Items not involving cash and other adjustments:				
Change in fair value of investment properties (notes 6 and 15)		36,237		3,303
Change in fair value of financial instruments (note 20)		3,542		(799)
Change in fair value of profit participation investment		370		—
Impairment of property, plant and equipment		1,229		3,095
Transaction costs arising from dispositions		4,327		1,778
Depreciation expense		1,571		10,338
Allowance for expected credit losses (note 20)		2,533		4,174
Straight-line rent		(281)		(1,180)
Amortization of tenant inducements		148		267
Net finance costs from operations (notes 15 and 20)		20,737		50,449
Interest income from loans receivable		(1,290)		(1,076)
Change in non-controlling interest		(4)		805
Gain on property, plant and equipment dispositions (note 14)		(30,717)		640
Share of net loss from joint ventures (note 8)		8,352		6,194
Current and deferred income tax recovery (expense) (note24)		—		(1,605)
Interest paid		(24,927)		(36,554)
Interest income received		740		209
Debt extinguishment costs paid		—		(583)
Change in non-cash operating working capital:				
Tenant and other receivables		3,134		530
Accounts payable and accrued liabilities		(1,201)		(267)
Deferred revenue		(1,583)		(296)
Other assets		1,423		4,738
Other liabilities		(3,486)		1,646
Accrued real estate taxes		(2,991)		(3,314)
Cash provided by (used in) operating activities	$	(13,627)	$	9,273
Cash flows provided by (used in) financing activities:				
Payments on credit facilities (note 13)	$	(219,687)	$	(116,600)
Debt issuance costs paid (note 13)		(126)		(1,339)
Proceeds from mortgages (note 13)		6,133		53,904
Repayments of mortgages		(141,559)		(86,653)
Fees on early debt settlement		(1,583)		—
Repayment of lease liabilities		(289)		(446)
Payment for swap and option contracts		(543)		(3,730)
Proceeds from settlement of interest rate swap		—		790
Cash used in financing activities	$	(357,654)	$	(154,074)
Cash flows from (used in) investing activities:				
Additions to investment properties	$	(542)	$	(1,136)
Proceeds from dispositions of investment properties (note 6)		19,569		85,962
Additions to property, plant and equipment		(2,561)		(4,873)
Proceeds from dispositions of assets held for sale		391,089		71,520
Transaction costs arising from dispositions		(4,327)		—
Distributions from joint ventures (note 8)		2,170		1,553
Contributions to joint ventures (note 8)		(16,081)		(2,387)
Distributions to non-controlling interest partners		(368)		(936)
Contributions from non-controlling interest partners		—		67
Issuance of loans receivable		(1,534)		(2,595)
Receipts from loans receivable		5,043		5,038
Cash provided by investing activities	$	392,458	$	152,213
Increase in cash		21,177		7,412
Cash, beginning of year		18,157		10,745
Cash, end of year	$	39,334	$	18,157

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 and independent living properties, which are operated under management contracts or joint venture arrangements with operating partners. The Company's consolidated portfolio includes investments in owner-occupied seniors housing properties where Invesque Inc. owns the real estate and the operations, which are outsourced under management contracts to third party management companies.

At December 31, 2025, the Company owned interests in a portfolio of 7 health care and senior living properties of the type noted above. The portfolio comprised of three consolidated owner-occupied properties and partial interests in four properties held through joint ventures.

Shareholder resolution

At the Company's Annual Meeting of Shareholders held on June 18, 2025, shareholders of the Company approved a special resolution, in addition to other customary approvals, for the sale or lease of all or substantially all of the assets of the Company in one or more transactions, including by way of asset sales or leases or other similar transactions as approved by the Board of Directors from time to time. Although the special resolution permits the Company to sell all or substantially all of its assets at the Board of Directors' discretion, the Company is not required to sell any of its assets. The Board of Directors and management of the Company intend to continue to consider alternatives on an ongoing basis and pursue the Company's business in the meantime in the normal course and, accordingly, will continue to operate as a going concern for the foreseeable future.

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 on hand and debt capacity, and to ensure the Company will meet its financial covenants related to mortgages affiliated with wholly-owned assets and mortgages held within investments in joint ventures accounted for under the equity method. Such forecasting involves judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, where applicable, and covenant compliance required under the terms of various mortgage 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 that it will have sufficient available cash on hand 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, 2025, which may include waivers, cures or other paths for resolution, if necessary. In making this judgment, the Company has prepared a cash flow forecast and mortgage covenant projections with the most significant assumptions in the preparation of such forecast being the ability of properties' underlying operations to generate sufficient cash flows 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, replacement or extension.

(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 apply and adhere to the same accounting policies.

The Company's accounting policies and methods of application, basis of measurement, and functional and presentation currency remain unchanged as compared to those applied in the consolidated financial statements as at and for the year ended December 31, 2024.

These consolidated financial statements were approved by the Board of Directors of the Company and authorized for issuance on March 18, 2026.

(c) Discontinued operations:

The results of operations of the Company's medical office building segment were previously classified as discontinued operations in these financial statements (note 15). A discontinued operation is a component of the Company's business that either has been disposed of, or is classified as held for sale, and either 1) represents a separate major line of business or geographic area of operations, 2) is part of a coordinated single plan to dispose of a separate major line of business or geographic area of operations or 3) is a subsidiary acquired exclusively with a view to resell. Based on the Company's assessment, the segment had been historically classified as a discontinued operation. As of December 31, 2025, all medical office buildings have been sold.

(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, 2025, including Invesque International Holdings Inc., Invesque US Holdings Inc., Invesque Holdings, LP, 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. Joint ventures are included in the Company's consolidated financial statements as investments accounted for under the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition changed in the net assets of the joint venture. The Company's share of joint venture profit or loss in included in the consolidated statements of loss and comprehensive loss for the period.

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. The consolidated financial statements include the Company's proportionate share of each of the revenue and expenses of joint operations on a line-by-line basis.

(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, 2025 and 2024 are as follows:

(i) Investment properties:

The significant assumptions used when determining the estimated fair value of investment properties either consolidated or held in the Company's joint venture investments are future cash flows over the holding period, terminal capitalization rates and discount rates for each property valued using the discounted cash flow approach. The terminal capitalization rates and discount rates applied are reflective of the characteristics, location and market of each investment property. The 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) 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.

(v) Other

Estimates are also made in the determination of the fair value of the Company's profit participation investment (note 5) 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) 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 or transfer and recognition.

(iii) 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.

2. Material accounting policies:

(a) Cash:

Cash consists of cash on hand and, from time to time, cash equivalents, which are highly liquid marketable investments with an original maturity date of 90 days or less at their date of purchase and are stated at amortized 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
Loans receivable	Amortized cost/FVTPL
Accounts payable and accrued liabilities	Amortized cost
Accrued real estate taxes	Amortized cost
Mortgages payable	Amortized cost
Debentures	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. 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.

ii. Impairment of financial assets:

The Company recognizes loss allowances for ECL on financial assets measured at amortized cost. 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.

iii. Derivative instruments:

The Company has used and can use 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. As of December 31, 2025, the Company does not have any active derivative contracts.

(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 has earned revenue under lease arrangements with operating entities that hold underlying properties which are jointly owned and operated with Autumnwood Lifestyles Inc. ("Autumnwood") (note 8), a third party, 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, as defined in accordance with the terms of operating agreements. As of December 31, 2025, the Autumnwood properties have been sold as part of the sale of a subsidiary (note 8).

(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 has recognized 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 has a Deferred Share Incentive Plan (note 22) for its employees and directors. Under this plan 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. During 2024, the Board of Directors elected to discontinue the deferred share incentive plan.

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.

Judgment 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 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 items currently labelled as "other".

3. Tenant and other receivables:

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

	December 31, 2025	December 31, 2024
Tenant and real estate receivables, gross	$ 4,236	$ 13,925
Allowance for uncollectible receivables	(2,128)	(6,947)
Tenant and other receivables, net	$ 2,108	$ 6,978

The movement in the allowance in respect of tenant and other receivables during the year ended December 31, 2025 was as follows:

Balance, December 31, 2024	$ 6,947
Remeasurement of allowance related to tenant receivables and real estate tax receivables	1,497
Balances attributable to disposed assets (note 14)	(4,324)
Fully reserved amounts written-off	(1,642)
Collections — recoveries	(350)
Balance December 31, 2025	$ 2,128

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, 2025 is primarily due to the disposal of 20 properties and the Company's ownership in the management company operated by Commonwealth Senior Living (collectively, the "Foxhound portfolio") (note 14), which included the sale of working capital amounts, the write-off of fully reserved balances at sold portfolios, increased allowance due to the addition of tenant balances at acquired owner-occupied properties in 2025, partially offset by individual tenant recoveries.

4. Loans receivable:

Loans receivable issued and outstanding as at December 31, 2025 and December 31, 2024 are detailed in the table below:

Debtor	Loan Type	December 31, 2025	December 31, 2024	Issued Date	Maturity Date	Current Annual Interest Rate	Payment-in-kind Annual Interest Rate
Blue Bell Senior Holdings, LLC	Loan receivable	$ —	$ 574	February 21, 2020	March 1, 2025 (1)	5.9 %	— %
Symcare ML, LLC (2)	Loan receivable	2,856	3,648	June 1, 2023	February 29, 2024	— %	10.0 %
Memory Care America, LLC	Loan receivable	3,893	3,901	March 31, 2023	July 31, 2025	10.0 %	— %
4 Pack Master Tenant, LLC (3)	Loan receivable	—	1,219	June 1, 2023	May 31, 2038	— %	10.0 %
Constant Care Management Co., LLC	Loan receivable	581	607	January 31, 2024	June 30, 2026	10.0 %	— %
CCG Quartette Falls, LLC No.1	Loan receivable	1,562	1,562	September 23, 2024	September 22, 2027	8.0 %	— %
CCG Quartette Falls, LLC No.2 (4)	Loan receivable	1,636	—	August 15, 2025	August 14, 2028	8.0 %	— %
CCG Quartette Falls, LLC No.3 (4)	Loan receivable	1,402	—	August 15, 2025	August 14, 2028	8.0 %	— %
Morrell Hulse	Loan receivable	1,988	1,988	December 10, 2024	December 1, 2028	8.0 %	— %
Parker EREP HDG, LLC	Loan receivable	1,534	—	May 16, 2025	(5)	12.0 %	— %
Foxhound GSA Propco Holdings, LLC (6)	Loan receivable	7,500	—	June 3, 2025	June 2, 2028	7.5 %	— %
Meteorite Camillus, LLC (7)	Loan receivable	2,500	—	December 18, 2025	December 18, 2027	8.3 %	— %
Accrued current and non-current interest		992	586				
Allowance for expected credit losses on loans receivable		(9,805)	(5,264)				
Carrying value of loans recorded at amortized cost		$ 16,639	$ 8,821				
Javelina Ventures, LLC	Loan receivable - FVTPL	—	2,604	December 31, 2018	(8)	5.0 %	— %
Carrying value of loans receivable		$ 16,639	$ 11,425				
Less current portion		666	3,587				
Non-current portion		$ 15,973	$ 7,838				

(1) Maturity date was 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. The loan was paid in full on April 4, 2025.

(2) This loan has been fully reserved for, however the Company continues to pursue settlement or partial settlement of the loan receivable. During the fourth quarter of 2025, the Company received $742 of payments on the matured loan, which included the exchange of forfeited common shares of the Company previously held by the borrower, which were subsequently retired (note 16).

(3) In conjunction with sale transactions of skilled nursing facilities in Illinois, the Company forgave this loan as incentive for the buyer to acquire the underlying properties.

(4) These loans were issued as seller financing notes as part of a sale transaction of skilled nursing facilities in Illinois. The notes are unsecured but feature corporate guarantees from a credit worthy counterparty.

(5) In 2025, the Company repaid 100% of the Terra Bluffs joint venture mezzanine loan, whereas the Company's obligation, consistent with its joint venture interest, was approximately 80% of the previously outstanding loan. The amount of the corresponding loan represents the other venturer's portion of the settled mezzanine loan and is secured by pledges of the equity ownership held by the minority joint venture partners. The maturity date is the earlier of a refinancing of the senior loan affiliated with the joint venture or a sale of the underlying property.

(6) See note 13.

(7) This loan is a first mortgage security loan that was issued as seller financing in the sale of the final medical office building (note 15).

(8) 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. As of December, 31, 2025 the Company assigned a $nil value to the loan as a result of a collectability assessment based on historical and forecasted operational performance trends at the underlying communities.

Loans receivable and associated allowance for losses on loans receivable accounted for at amortized cost as at December 31, 2025 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Loans receivable, net of loan fees	$ 16,806	$ —	$ 9,638	$ 26,444
Allowance for losses on loans receivable	(167)	—	(9,638)	(9,805)
Loans receivable, net of allowances	$ 16,639	$ —	$ —	$ 16,639

The changes in the gross loans receivable balance during the year ended December 31, 2025 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total loans receivable as at December 31, 2024	$ 5,984	$ —	$ 8,101	$ 14,085
Loans receivable				
Transfer to/(from)				
Stage 1	(1,988)	—	—	(1,988)
Stage 2	—	(92)	—	(92)
Stage 3	—	—	2,080	2,080
	$ 3,996	$ (92)	$ 10,181	$ 14,085
Issuances	15,362	119	249	15,730
Repayments	(1,323)	(27)	(792)	(2,142)
Write off of loans receivable	(1,229)	—	—	(1,229)
Total loans receivable as at December 31, 2025	$ 16,806	$ —	$ 9,638	$ 26,444

The changes in the allowance for credit losses during the year ended December 31, 2025 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total allowance for credit losses as at December 31, 2024	$ 59	$ —	$ 5,205	$ 5,264
Allowance for credit losses				
Remeasurement	140	378	4,827	5,345
Transfer to/(from)				
Stage 1	(20)	—	—	(20)
Stage 2	—	(378)	—	(378)
Stage 3	—	—	398	398
	$ 179	$ —	$ 10,430	$ 10,609
Repayments	—	—	(792)	(792)
Write off of loans receivable and allowances	(12)	—	—	(12)
Total allowance for credit losses as at December 31, 2025	$ 167	$ —	$ 9,638	$ 9,805

For the year ended December 31, 2025, a recovery of $2,068, (year ended December 31, 2024 - $1,759 loss) 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. As of December 31, 2025, the Company's assessment of recoverability for the Morrell Hulse loan resulted in an increased allowance to 100% of the balance and a transfer to stage 3 due to continued nonpayment of monthly interest, the lack of security, and an assessment of the overall credit risk. In addition, the

Company's assessment for the Memory Care America, LLC loan resulted in an increased allowance to 100% of the balance owing due to continued nonpayment of interest or principal up to and after the loan maturity date. However, the Company continues to pursue collection of both loans. The Company maintains a policy for stage 3 loans receivable whereby it assesses the expectation and likelihood of recovery for each loan to determine whether the gross carrying amount of the loan is to be completely written off. In this assessment the Company considers unique facts and circumstances of each loan, such as ongoing legal pursuits and historical collection efforts involving the counter party under different circumstances. The Company makes the final determination based on the best available information at the time.

In December 2025, the Company received $3,700 related to a loan receivable from Mainstreet Investment Company, which had previously been fully written off. The receipt of funds has been included as a contra-allowance within allowance for expected credit losses in the consolidated statement of loss and comprehensive loss.

For the year ended December 31, 2025, a loss of $2,724 (year ended December 31, 2024 - $nil) was recorded in the consolidated statements of loss and comprehensive loss due to a change in the estimated fair value of the loan receivable due from Javelina Ventures LLC.

5. Other assets:

	December 31, 2025	December 31, 2024
Prepaid expenses	$ 389	$ 1,715
Security deposits	—	436
Escrow deposits held by lenders	337	3,225
Right-of-use assets	205	326
Bond assets	225	367
Profit participation investment	330	700
Other	744	1,070
	$ 2,230	$ 7,839
Current	$ 1,470	$ 6,446
Non-current	760	1,393
	$ 2,230	$ 7,839

Escrow deposits held by mortgage 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, 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)
Sales 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
Capital expenditures	—		383
Increase attributable to straight-line rents	—		281
Fair value adjustment	—		(35,794)
Amortization of tenant inducements	—		(120)
Sales of income properties	(16)		(166,837)
Transferred to property, plant and equipment (note 14)	(1)		(9,250)
Foreign currency translation	—		3,811
Balance, December 31, 2025	—	$	—

As of December 31, 2025, the Company's only remaining investment properties are held within the joint venture investment portfolio (note 8).

Throughout 2024 and 2025, the Company executed sale contracts and eventual dispositions of investment properties. When an investment property is under contract to sell, the Company adjusts the previously reported carrying value to the agreed upon sale price. Accordingly, fair value adjustments to investment properties relating to these dispositions totaled a decrease, or charge, of $35,956 for the year ended December 31, 2025.

Capital expenditures include costs related to projects ($371 total for the year ended December 31, 2025) at four properties in Canada that were jointly owned and proportionately consolidated in these financial statements before being sold in the fourth quarter of 2025.

On June 18, 2025, the Company acquired the operations at a property in Zachary, Louisiana, representing the property transferred to property, plant and equipment. The property was previously under a triple-net lease and reported as investment property under IAS 40. At the time of acquisition, a purchase and sale agreement was executed to sell the property by the end of the third quarter of 2025. Therefore, the carrying value of the property and operations was adjusted to the anticipated sale price and was subsequently sold in September 2025 (note 14).

On August 15, 2025, the Company sold two skilled nursing facilities in Illinois for a total sale price of $23,686, of which $627 from a prior sale was applied. Sale proceeds in excess of closing costs were used to pay down the remaining balance of

the corporate credit facility (note 8). The Company issued two loans receivable totaling $3,038 principal to the buyer as part of the sales transactions (note 4).

On December 23, 2025, the Company sold a subsidiary which owned interests in four seniors housing investment properties operated by Autumnwood (notes 8 and 14) in Canada for Canadian $31,000. Sale proceeds in excess of closing costs totaling were retained by the Company for working capital purposes.

7. Property, plant and equipment, net:

(a) Property, plant and equipment, net:

Property, plant and equipment consists of the following as at December 31, 2025 and December 31, 2024:

	Land	Buildings	Furniture, fixtures and equipment	Properties under development	Total
Cost					
Balance, December 31, 2023	$ 23,029	$ 420,119	$ 15,531	$ 421	$ 459,100
Additions	—	2,230	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	(19,031)	(351,025)	(13,306)	(223)	(383,585)
Balance, December 31, 2024	$ 4,750	$ 22,226	$ 2,323	$ —	$ 29,299
Additions	—	207	249	—	456
De-recognition	—	—	(767)	—	(767)
Balance, December 31, 2025	$ 4,750	$ 22,433	$ 1,805	$ —	$ 28,988
Accumulated depreciation and impairment losses					
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 14)	—	(106,862)	(4,157)	—	(111,019)
Balance, December 31, 2024	$ —	$ 442	$ 1,061	$ —	$ 1,503
Depreciation	—	926	645	—	1,571
De-recognition	—	—	(754)	—	(754)
Impairment loss	—	1,136	—	—	1,136
Balance, December 31, 2025	$ —	$ 2,504	$ 952	$ —	$ 3,456
Property, plant and equipment, net balance, December 31, 2024	$ 4,750	$ 21,784	$ 1,262	$ —	$ 27,796
Property, plant and equipment, net balance, December 31, 2025	$ 4,750	$ 19,929	$ 853	$ —	$ 25,532

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.

The Company recorded impairment of $1,136 in the fourth quarter of 2025 in respect of a memory care facility in Arkansas due to declining operating performance of the underlying property operations. To arrive at the estimated recoverable amount of the property, the Company used an internal valuation method containing assumptions regarding a terminal capitalization rate, discount rate and future cash flows of the facility.

8. Joint arrangements:

As at December 31, 2025, the Company's joint arrangements are as follows:

Joint arrangement	Number of properties	Location	Company ownership	Investment
Heritage Newtown	1	United States	80 %	Joint venture [(1)]
Heritage Harleysville	1	United States	90 %	Joint venture [(1)]
Heritage Lansdale	1	United States	90 %	Joint venture [(1)]
Terra Bluffs	1	United States	80 %	Joint venture [(1)]

(1) 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.

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.

Prior to December 23, 2025, the Company owned a 29% direct beneficial interest in the investment properties of the Invesque-Autumnwood Landlord entities ("landlords") and with Autumnwood was jointly obligated for the related mortgages for a portfolio of four properties. These properties were classified as joint controlled operations and were accounted for under the proportionate consolidation method. The Company's 29% interest in the operations of these investment properties was held through separate legal entities (collectively referred to as "Invesque-Autumnwood Operator"), which under IFRS 11, Joint arrangements, were classified as joint ventures and were accounted for using the equity method. Invesque-Autumnwood Operator leased the real estate from the related party landlords under their respective lease agreements. These leases were 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 $4,547, for the year ended December 31, 2025 (year ended December 31, 2024 - $3,911), are 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. On December 23, 2025, the Company sold its interests in investment properties and the operations (note 14).

As of December 31, 2025, The Company has an interest in four 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 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.

On December 11, 2025, the Company sold four properties associated with joint ventures operated by Heritage Senior Living ("Heritage") for a sale price of $56,980. Sale proceeds in excess of closing costs totaling were used to settle mortgages ($50,218) affiliated with the properties and retained by the joint ventures ($6,193) for final distributions to be determined at a later time.

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,	
	2025	2024
Cash contributions to joint ventures	$ 16,081	$ 2,387
Distributions received from joint ventures	$ 2,170	$ 1,553

The increase in cash contributions to joint ventures in 2025 as compared to 2024 was primarily due to the repayment of debts encumbering the properties such as mortgages and accrued working capital liabilities.

	December 31, 2025		December 31, 2024	
	Net assets	Company share of net assets	Net assets	Company share of net assets
Cash	$ 5,772	$ 4,714	$ 1,012	$ 639
Tenant and other receivables	238	672	2,368	1,822
Other	2,056	1,306	5,524	5,069
Current assets	8,066	6,692	8,904	7,530
Investment properties	123,964	102,682	189,632	152,644
Property, plant and equipment, net	—	—	1,369	397
Total assets	$ 132,030	$ 109,374	$ 199,905	$ 160,571
Accounts payable and accrued liabilities	$ 3,441	$ 2,911	$ 15,701	$ 11,117
Deferred revenue	184	157	780	643
Mortgages payable - current	34,197	28,743	35,944	30,827
Current liabilities	37,822	31,811	52,425	42,587
Mortgages payable - non-current	37,728	31,790	93,861	77,002
Other non-current liabilities	710	582	1,943	1,391
Total liabilities	$ 76,260	$ 64,183	$ 148,229	$ 120,980
Net assets	$ 55,770	$ 45,191	$ 51,676	$ 39,591

	Year ended December 31, 2025		Year ended December 31, 2024	
	Net loss at 100%	Company share of net loss	Net loss at 100%	Company share of net loss
Revenue	$ 52,428	$ 43,615	$ 70,741	$ 41,860
Property operating expense	43,308	36,094	63,452	35,307
Net finance costs	11,358	9,429	9,194	7,633
General and administrative expenses	14	10	39	30
Transaction costs	1,548	1,199	—	—
Change in fair value of financial instruments	(138)	(117)	1,085	896
Change in fair value of investment properties	11,045	5,368	7,888	4,188
Gain on sale of joint venture	(36)	(16)	—	—
Net loss prior to distributions to owners	$ (14,671)	$ (8,352)	$ (10,917)	$ (6,194)

The following tables summarize the information about the Company's share of investment in joint ventures, categorized into joint venture groups based on operator:

	December 31, 2025 Company share of net assets			
	JV Group #1	JV Group #2	JV Group #3	Total
Cash	$ 4,090	$ 317	$ 307	$ 4,714
Tenant and other receivables	323	344	5	672
Other	4,560	(3,375)	121	1,306
Current assets	8,973	(2,714)	433	6,692
Investment properties	—	68,174	34,508	102,682
Total assets	$ 8,973	$ 65,460	$ 34,941	$ 109,374
Accounts payable and accrued liabilities	$ 1,273	$ 1,094	$ 544	$ 2,911
Deferred revenue	—	153	4	157
Mortgages payable - current	—	12,427	16,316	28,743
Current liabilities	1,273	13,674	16,864	31,811
Mortgages payable - non-current	—	31,790	—	31,790
Other non-current liabilities	191	391	—	582
Total liabilities	$ 1,464	$ 45,855	$ 16,864	$ 64,183
Net assets	$ 7,509	$ 19,605	$ 18,077	$ 45,191

	Year ended December 31, 2025 Company share of net income (loss)				
	JV Group #1	JV Group #2	JV Group #3	JV Group #4	Total
Revenue	$ 21,468	$ 17,548	$ 4,599	$ —	$ 43,615
Property operating expense	17,784	13,809	4,501	—	36,094
Net finance costs	3,445	3,868	2,116	—	9,429
General and administrative expenses	—		4	6	10
Transaction costs	822	—	—	377	1,199
Change in fair value of financial instruments	(117)	—	—	—	(117)
Change in fair value of investment properties	8,826	(1,144)	(2,314)	—	5,368
Gain on sale of joint venture	—	—	—	(16)	(16)
Net loss prior to distributions to owners	$ (9,292)	$ 1,015	$ 292	$ (367)	$ (8,352)

In the above tables, JV Group #1 represents the four joint ventures sold in December 2025. JV Group #2 represent three joint ventures under similar ownership and operated by Heritage Senior Living. JV Group #3 represents a senior living and memory care facility in Colorado operated by Health Dimensions Group. JV Group #4 represents working capital adjustments at previously disposed joint venture properties.

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.

As of December 31, 2025, the Company, through its joint venture arrangements, used an internal valuation process to value its joint venture investment properties. The Company maintains a policy whereby third party appraisers are engaged to prepare valuations on a portion of the portfolio 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, but does not rely on, the data used in external valuations for its internal valuation.

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, through its joint venture arrangements, 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.

Capital expenditures include costs related to the physical properties ($946 total for the year ended December 31, 2025) at the four remaining joint ventures.

The Company, through its joint venture arrangements, continues to review terminal capitalization rates and discount rates as well as its and future cash flows over the investment holding period. Once total valuation is established, the Company utilizes distribution waterfalls, when applicable and as prescribed in the relevant joint venture agreements, to determine the allocated values between the Company and its joint venture partners. The carrying value for the Company’s joint venture investment properties reflects its best estimate for the highest and best use as at December 31, 2025. The minimum, maximum and weighted average terminal capital rates are 7.00%, 7.50% and 7.33%, respectively. The minimum, maximum and weighted average discount rates are 9.25%, 9.75% and 9.49%, respectively. If the Company applied a 5% increase/decrease to stabilized net operating income used in the valuation estimation process, it would result in an increase/decrease of $5,060 to the Company's portion of the investment property balance.

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 portion of investment properties as of December 31, 2025, valued using this approach:

		Change in discount rate ("IRR")		
		(0.25)%	— %	0.25 %
Change in terminal capitalization rate ("TCR")	(0.25)%	$ 3,627	$ 2,562	$ 1,511
	— %	$ 1,035	$ —	$ (1,022)
	0.25 %	$ (1,389)	$ (2,397)	$ (3,392)

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

	December 31, 2025	December 31, 2024
Mortgages at fixed rates:		
Mortgages (principal)	$ 20,397	$ 33,615
Interest rates	6.99 %	6.99% to 14.50%
Weighted average interest rate	6.99 %	8.58 %
Mortgages at variable rates:		
Mortgages (principal)	$ 52,262	$ 97,351
Interest rates	SOFR plus 2.50% to SOFR plus 3.50%	SOFR plus 2.05% to SOFR plus 4.50%
Weighted average interest rate	6.56 %	6.97 %
Blended weighted average rate	6.68 %	7.38 %

Certain of the mortgages payable contain financial and non-financial covenants that are subject to quarterly and annual compliance assessments. At December 31, 2025, the partnership between the Company and Parker EREP HDG, LLC (the "Parker partnership") did not comply with a debt service coverage covenant requirement related to a loan agreement held in a joint venture arrangement with Terra Bluffs involving the Parker property ("JV Group #3"). However, the Parker partnership obtained a loan modification agreement on March 4, 2026 from the lender that set aside the debt service coverage requirement for December 31, 2025. The modification requires an interim debt service coverage ratio covenant of 1.0x to be achieved as of June 30, 2026, subsequent to which the ratio reverts to the previous loan covenant of 1.2x. The Parker partnership has guaranteed the payment of amounts due under the mortgage with the lender. The outstanding amount of the mortgage at December 31, 2025 was $20,397, which is not reflected in the Company's consolidated liabilities at December 31, 2025. The mortgage was otherwise classified as current as of December 31, 2025. In addition, the Company did not comply with net operating income year-end requirements related to the mortgage held in the Lansdale joint venture. However, the loan agreement features a cure allowing the debt reserve in the form of restricted cash to be applied as principal payments as and when needed to achieve compliance. At December 31, 2025, the Company was in compliance with all other debt covenants. The Company expects to satisfy the mortgage covenant requirements in 2026 as stipulated, which may include waivers, consideration of certain cure periods or further paydowns of principal amounts.

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, 2025	Borrowing rate at December 31, 2025	December 31, 2024	Borrowing rate at December 31, 2024
Credit Facility	$ —	— %	$ 44,975	7.43 %
Commonwealth Credit Facility	—	— %	174,711	5.76 %
Finance costs, net	—	—	(371)	—
Carrying value	$ —	— %	$ 219,315	6.10 %
Less current portion	—		219,315	
Non-current portion	$ —		$ —	

The corporate Credit Facility was settled in conjunction with the sales of investment properties in August 2025 and the proceeds therefrom (note 5). The Commonwealth Credit Facility was settled in conjunction with the sale of the Foxhound portfolio and the proceeds therefrom (note 14). Lenders of settled facilities have released the Company from all requirements and covenants.

10. Mortgages payable:

Mortgages payable consist of the following as at:

	December 31, 2025	December 31, 2024
Mortgages payable	$ 6,133	$ 149,217
Mark-to-market adjustment, net	—	182
Finance costs, net	(61)	(1,175)
Carrying value	$ 6,072	$ 148,224
Less current portion	—	73,009
Non-current portion	$ 6,072	$ 75,215

Mortgages payable is a first charge mortgage secured and collateralized by property, plant and equipment with a carrying value of $9,736 at December 31, 2025. The mortgage payable is an interest-only loan with the principal due at maturity on April 10, 2027.

		December 31, 2025		December 31, 2024
Mortgages at fixed interest rates:				
Mortgages (principal)	$	—	$	61,100
Interest rates		— %		2.55% to 12.00%
Weighted average interest rate		— %		5.56 %
Mortgages at variable rates:				
Mortgages (principal)	$	6,133	$	88,117
Interest rates		SOFR plus 3.50%		SOFR plus 3.50% with a 2% SOFR cap to SOFR plus 4.00%
Weighted average interest rate		7.29 %		7.51 %
Weighted average interest rate		7.29 %		6.71 %

11. Derivative financial instruments:

(a) Derivative interest rate swaps and interest rate caps:

Derivative swaps and interest rate caps as at December 31, 2025 and 2024, 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, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Credit Facility Term and Revolver [1]	March 31, 2025	SOFR fixed at 5.07%	$ —	$ —	$ —	$ —	$ 652
Red Oak Mortgage Swap [2]	July 31, 2024	CORRA fixed at 3.82%	—	—	—	—	(7)
Commonwealth Credit Facility Swap [3]	May 1, 2025	SOFR fixed at 3.50%	—	—	288	(288)	(2,661)
Christiansburg Mortgage Rate Cap[4]	July 1, 2028	SOFR capped at 2.00%	—	—	—	(106)	(374)
Merchants Bank of Indiana Mortgage Rate Cap[5]	June 10, 2025	SOFR capped at 2.00%	—	—	78	(3)	(1,287)
Carrollton Mortgage Swap [6]	August 5, 2026	SOFR fixed at 5.02%	—	—	(47)	4	43
Wesbanco Mortgage Swaps [6]	May 10, 2029	SOFR fixed at 3.64%	—	—	224	(313)	224
		Net carrying value and net fair value adjustments		$ —	$ 543	$ (706)	$ (3,410)
		Less current portion		—	366		
		Non-current portion		$ —	$ 177		
		Derivative instruments asset		$ —	$ 590		
		Derivative instruments liability		—	(47)		
				$ —	$ 543		

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

(2) The interest rate swap matured on July 31, 2024.

(3) In May 2024, August 2024, November 2024 and February 2025 interest rate swaps with three-month maturities we re-entered into for total premium costs of $2,485. The premium obligations resulting from swaps are included as part of finance costs reported in the period. The swap was ultimately settled in conjunction with the disposition of the Foxhound portfolio (note 14).

(4) The interest rate cap consisted of an interest rate spread ceiling of 2.00% and a base rate of 2.45%. In July 2024 the interest rate cap was extended 48 months for a cost of $895. The instrument expired in conjunction with the sale of the Foxhound portfolio (note 14) and the remaining carrying value was recorded as part of the gain or loss on disposition.

(5) The interest rate cap was purchased in conjunction with a mortgage refinance and consisted of an interest rate spread ceiling of 2.00% and a base rate of 3.50%. The instrument matured on June 10, 2025.

(6) The instruments expired in conjunction with the sale of the Constant Care portfolio (note 14).

12. Other liabilities:

Other liabilities are as follows:

	December 31, 2025	December 31, 2024
Deferred shares liability (note 22)	$ —	$ 37
Security deposits received from tenants	—	289
Escrows collected from tenant	—	918
Deferred revenue	115	2,785
Lease liability	205	453
Severance liability	—	1,809
Working capital loans payable to a third party operator management company	217	267
Other	28	1,011
	$ 565	$ 7,569
Current	$ 494	$ 5,241
Non-current	71	2,328
	$ 565	$ 7,569

13. 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, 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	623	1,757	9,293	—	258	11,931
Transferred to liabilities related to assets held for sale	—	(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
Proceeds from mortgages	—	6,133	—	—	—	6,133
Repayments and refinancings	(218,582)	(111,162)	—	—	—	(329,744)
Scheduled principal payments	(1,105)	(1,621)	—	—	—	(2,726)
Financing costs paid	—	(126)	—	—	—	(126)
Amortization of financing costs, mark to market adjustments	372	958	—	—	—	1,330
Mortgages sold (note 14)	—	(37,716)		—		(37,716)
Gain on loan paydown	—	(386)	—	—	—	(386)
Changes in foreign currency rates	—	1,768	—	—	—	1,768
Balance, December 31, 2025	$ —	$ 6,072	$ —	$ 27,300	$ —	$ 33,372

14. Dispositions and disposal groups classified as assets held for sale:

Throughout 2024, the Company executed purchase and sale agreements for three investment properties in New York. On April 9, 2025, the Company closed the sale of one of the properties for a sale price of $25,100 before closing costs. Sale proceeds in excess of closing costs were used to pay down the mortgage affiliated with the property ($17,885 principal balance) and the residual (approximately $7,312) was retained by the Company for working capital purposes. On July 14, 2025, the Company closed the sale of another of the properties, previously classified as held for sale, for a sale price of $5,800 before closing costs. Sale proceeds in excess of closing costs were used to settle the mortgage affiliated with the property ($3,140 principal balance) and the residual (approximately $2,701) was retained by the Company for working capital purposes. On September 16, 2025, the Company closed the sale of the third property for a sales price of $4,958 before closing costs. Sale proceeds in excess of closing costs were used to pay down the mortgage affiliated with the property ($4,863 principal balance).

In the second quarter of 2024, the Company executed purchase and sale agreements with the intent to sell eight properties operated by Commonwealth Senior Living. On October 15, 2024, the sale of seven of the eight properties closed. The remaining asset was classified as held for sale as of December 31, 2024, and was sold on October 1, 2025 for $6,839.

On April 29, 2025, the Company executed a purchase and sale agreement to sell ten memory care assets operated by Constant Care Management Company for a total sale price of $83,204. On July 25, 2025, the Company sold 10 properties, previously classified as held for sale. Sale proceeds in excess of closing costs were used to pay down mortgages affiliated with eight of the properties ($49,766 total principal balance) and the residual (approximately $16,058) was retained by the Company for working capital purposes. We note that two of the properties were unencumbered and had no related mortgages.

On June 3, 2025, the Company sold the Foxhound portfolio for a sale price of $309,000, subject to working capital contingencies. The sale of the portfolio resulted in the settlement of the Commonwealth credit facility ($173,607 principal), all underlying mortgages payable ($45,054 principal) and the Commonwealth preferred unit liability ($58,606). As part of the sale, the Company issued a $7,500 note to a real estate company owned by the buyer (note 4) bearing interest at 7.50% with a payment guarantee from Foxhound Holdings, LLC, a credit worthy counterparty. Sale proceeds in excess of debt settlements and closing costs were retained by the Company for working capital purposes (approximately $11,302). The Company recognized a non-taxable gain on the sale of the portfolio of approximately $30,153. Upon completion of the Foxhound portfolio transaction, Commonwealth Senior Living has ceased to manage any properties owned by the Company. Two of the properties sold within the Foxhound portfolio are subject to a put option whereby the Company may be obligated to purchase back both properties. The put option expires on June 30, 2026, with the strike price dependent on occupancy metrics as specified in the purchase and sale agreement. As of December 31, 2025, the Company has assessed, based on underlying performance of the properties, that there is minimal to no value in the put option on behalf of the current owner and therefore has not assigned any value to the executory contract.

On June 18, 2025, the Company acquired the operating contract at a property in Zachary, Louisiana. The property was previously under a triple-net lease and reported as investment property. At the time of acquisition, a purchase and sale agreement was executed to sell the property by the end of the third quarter of 2025. On September 15, 2025, the Company sold the property and operations for a sale price of $9,250 before closing costs. The closing of the sale included the paydown of a mortgage affiliated with the property with a principal balance of $6,500. After closing costs, the net proceeds of the sale ($2,430) were retained by the Company for working capital purposes.

On August 21, 2025, the Company executed a purchase and sale agreement to sell a subsidiary of the Company which owned four investment properties operated by Autumnwood for a total sale price of Canadian $31,000. On December 23, 2025, the Company sold the subsidiary, including all four investment properties and related outstanding mortgages which were assumed by the buyer. The disposition resulted in the recognition of a $1,773 loss on translation of foreign currency in the consolidated statement of loss and comprehensive loss.

As of December 31, 2025, the Company recognized a loss on disposition of $529 related to adjustments made at

dispositions of held for sale properties during the year.

The assets and liabilities related to the assets held for sale as at December 31, 2025 and 2024, are as follows:

	December 31, 2025	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	—	33,094
Commonwealth preferred unit liability	—	58,606
Other liabilities	—	1,240
Total liabilities related to assets held for sale	$ —	$ 98,769

Correction of an Immaterial Error - Adjustment to Comparative Statement of Financial Position and Statement of Changes in Shareholders' Equity

During 2025, management corrected an immaterial error relating to the year ended December 31, 2024. Depreciation expense totaling $2,918 was incorrectly recorded in the fourth quarter of 2024 in connection with property, plant, and equipment subsequent to its classification as held for sale in September 2024. As a result, the carrying value of property, plant, and equipment within Assets Held for Sale was understated as at December 31, 2024, and depreciation expense, as well as, net income (loss) and comprehensive income (loss) were overstated by the same amount for the year then ended.

The adjustment resulted in an increase of $2,918 to total assets and impacts the following captions within the comparative statement of financial position as at December 31, 2024 as presented in these consolidated financial statements: Assets held for sale - PP&E previously reported $315,254; as adjusted $318,172; Total assets previously reported $637,220; as adjusted $640,138; Shareholders’ equity previously reported $119,172; as adjusted $122,090; Total liabilities and shareholders' equity previously reported $637,220; as adjusted $640,138. In addition, the cumulative deficit as at January 1, 2025 as reported within the consolidated statements of changes in shareholder's equity has been adjusted by $2,918 resulting in a decrease from ($505,454) as previously reported as at December 31, 2024 to an amount as adjusted of ($502,536).

In addition, the net loss and depreciation expense captions per the Company’s consolidated statement of loss and comprehensive loss and the consolidated statement of cash flows for the year ended December 31, 2024 were adjusted by the same amount as noted above.

15. Discontinued operations:

A strategic decision was made by the Company to exit the medical office building segment in 2022. 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. On December 18, 2025, the Company sold the final medical office building in Camillus, New York for $4,100.

The assets and liabilities of the discontinued operations as at December 31, 2025 and December 31, 2024 are as follows:

	December 31, 2025	December 31, 2024
Investment properties	$ —	$ 4,400
Other assets	—	72
Total assets of discontinued operations classified as held for sale	$ —	$ 4,472
Other liabilities	$ —	$ 218
Total liabilities related to discontinued operations classified as held for sale	$ —	$ 218

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

	Year ended December 31, 2025	2024
Rental revenue	$ 1,021	$ 1,233
Other revenue	5	(2)
Direct property operating expense	974	1,119
Net finance costs from operations	210	755
Real estate tax expense	287	356
General and administrative expense, net of tax refunds	(86)	115
Transaction costs	187	36
Allowance for expected credit losses	—	163
Change in fair value of investment properties - IFRIC 21	(7)	3
Change in fair value of investment properties	443	(844)
Foreign exchange loss (income) reclassified from other comprehensive income	(48)	(63)
Net loss from discontinued operations	$ (934)	$ (409)

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

	Year ended December 31, 2025	2024
Net cash provided by (used in) operating activities	$ (35)	$ 1,049
Net cash used in financing activities	—	(3,007)
Net cash provided by investing activities	—	1,850

16. Share capital:

(a) Common shares:

The following number and value of common shares were issued and outstanding as at December 31, 2025 and 2024:

	Common shares		Carrying value
Balance, December 31, 2023	56,206,294	$	518,370
Issued on settlement of Deferred Share Incentive Plan	18,876		5
Issued on convertible debenture modification	140,516,942		13,349
Issued on preferred share exchange	716,875,000		68,103
Balance, December 31, 2024	913,617,112	$	599,827
Issued on settlement of Deferred Share Incentive Plan	457,281		38
Common shares forfeited on loan receivable settlement (note 4)	(555,556)		(3,800)
Balance, December 31, 2025	913,518,837	$	596,065

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.

17. 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.

Denominator for basic and diluted net loss per share:

	Year ended December 31,	
	2025	2024
Weighted average number of shares, including fully vested deferred shares: Basic and diluted	913,996,767	61,360,442

18. Revenue:

(a) Tenant Rental Revenue:

Tenant rental revenue consists of the following:

	Year ended December 31, 2025	Year ended December 31, 2024
Contractual rental revenue	$ 7,468	$ 16,885
Straight-line rent adjustments	282	1,180
Amortization of tenant inducements	(120)	(242)
Amortization of leasing commissions	(8)	(20)
Property tax recoveries	1,923	4,061
	$ 9,545	$ 21,864

As of September 16, 2025, the Company no longer has interests in investment properties with triple-net leases.

(b) Resident rental and related revenue:

	Year ended December 31, 2025	2024
Resident revenue	$ 49,525	$ 112,284
Service revenue [(1)]	10,348	24,611
	$ 59,873	$ 136,895

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

19. Direct property operating expenses:

Direct property operating expenses consist of the following:

	Year ended December 31, 2025	2024
Repairs and maintenance	$ 1,446	$ 2,838
Utilities	2,062	3,725
Compensation and benefits	29,364	66,378
Other services and supplies	3,455	8,475
Administrative and marketing	4,128	9,669
Real estate taxes	1,085	2,024
Insurance	1,277	2,789
Other	2,882	3,265
	$ 45,699	$ 99,163

20. Net finance costs:

Net finance costs consist of the following:

	Year ended December 31,	
	2025	2024
Interest expense on credit facilities	$ 6,510	$ 20,927
Interest expense on mortgages payable	6,428	12,402
Interest expense on debentures	2,669	—
Interest expense on convertible debentures	—	5,017
Interest expense on interest rate caps and swaps [(1)]	580	4,452
Dividends on Commonwealth preferred units	2,190	4,571
Amortization and accretion expense	1,821	5,551
Net income from interest rate swaps	(675)	(4,347)
Debt extinguishment costs	1,187	273
Loss on preferred share exchange	—	656
Gain on loan exchange	—	(685)
Gain on debenture extinguishment	—	(5,376)
Amortization of mark-to-market debt adjustments	(183)	6,253
Net finance costs from operations	$ 20,527	$ 49,694
Allowance for credit losses on loans and interest receivable (note 4)	2,068	1,759
Allowance for credit losses on taxes and insurance receivable	465	2,415
Change in fair value of financial instruments (notes 4 and 11)	3,542	(799)
Accretion of fair value adjustment on convertible debentures	—	6,264
Change in non-controlling interest liability related to finance costs from operations	(39)	(44)
Total finance costs	$ 26,563	$ 59,289

(1) Represents the initial premium paid for interest rate swaps and a currency exchange rate options entered into during the year and the amortization over the term of the derivative contract of the premiums paid for interest rate caps.

21. General and administrative:

General and administrative expenses consist of the following:

	Year ended December 31,	
	2025	2024
Compensation and benefits	$ 7,874	$ 15,880
Professional fees	2,295	2,955
Deferred share compensation expense	2	(77)
Insurance	564	680
Rent	289	446
Other	876	1,886
	$ 11,900	$ 21,770

For the year ended December 31, 2025, $4,393 (year ended December 31, 2024 - $10,039) of general and administrative expenses noted above, most of which were reflective as part of compensation and benefits, were incurred at the Commonwealth Senior Living's management company.

22. Deferred share incentive plan:

At December 31, 2025, the number of deferred shares granted and outstanding and vested are as follows:

	Granted/ Outstanding	Fully Vested
As at December 31, 2023	485,595	452,028
Discretionary Deferred Shares	—	18,876
Equity Settled Deferred Shares	—	—
Individual Contributed Deferred Shares (vested immediately)	—	—
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
Shares issued upon vesting of deferred shares	(457,281)	(457,281)
As at December 31, 2025	—	—

For the year ended December 31, 2025, the Company recognized $2 of expense related to deferred shares in the consolidated statements of loss and comprehensive loss (year ended December 31, 2024 - $(77)). A deferred share liability of $nil is included in other non-current liabilities in the consolidated statements of financial position as at December 31, 2025 (December 31, 2024 - $37). During 2024, the Board of Directors elected to discontinue the deferred share incentive plan.

The deferred share incentive plan compensation expense was 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. No deferred shares were granted during the years ended December 31, 2025 and December 31, 2024.

23. Related party transactions:

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

On March 29, 2024, the Company announced that IVQ Stock Holding Company, LLC (“ISHC”), a company controlled by Adlai Chester ("Mr. Chester"), the Company’s Chief Executive Officer and a member of its board of directors, entered into a share purchase agreement to acquire 16,982,283 common shares of the Company from certain subsidiaries of Tiptree Inc. (collectively, “Tiptree”) at a price of $0.0368 per common share and an aggregate purchase price of $625,000. Following the acquisition, which closed in the second quarter of 2024, Tiptree no longer owns or controls any shares in the Company. 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 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 16). The closing date of the exchange, which was conditional on the successful closing of the convertible debenture modifications, was December 30, 2024. 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 collectively through several separate funds own over approximately 80% of the Company's Common Shares.

Key management personnel compensation:

The remuneration of key management personnel of the Company for the years ended December 31, 2025 and 2024 is set forth in the table below.

	Year ended December 31,	
	2025	2024
Officers and directors' compensation	$ 2,927	$ 2,675
Contractual severance	—	3,060
	$ 2,927	$ 5,735

24. Income taxes:

The income tax recovery in the consolidated statements of loss and comprehensive loss differs from that expected by applying the combined federal, provincial and state income tax rates of 26.5% (2024 - 26.5%). The differences for the year ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
Net loss from continuing operations before income taxes	$ (30,556)	$ (34,415)
Income tax recovery at Canadian tax rate	(8,097)	(9,893)
Non-deductible expenses	2	(18)
Difference in tax rate in foreign jurisdiction	21	(368)
Unrecognized tax benefits	8,074	8,674
Income tax recovery	$ —	$ (1,605)

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 give rise to significant portions of the deferred tax assets and deferred tax liabilities.

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Tax losses	$ 65,463	$ 57,595
Investment properties and property, plant and equipment	19,698	14,971
Loans receivable	3,124	16,361
Equity investments	3,057	3,427
Mark-to-market adjustments	1,334	1,334
Deferred financing costs	—	203
Accrued expenses	2,705	2,705
Other	305	607
Deferred tax assets	$ 95,686	$ 97,203
Deferred tax liabilities:		
Derivative instruments	$ —	$ 2,264
Other	33	357
Deferred tax liabilities	$ 33	$ 2,621
Deferred tax assets not recognized, net	$ 95,653	$ 94,582
Net deferred tax asset (liability)	$ —	$ —

At December 31, 2025, the Company had cumulative non-capital losses for Canadian tax purposes of $35,046 (2024 - $29,702). At December 31, 2025, the U.S. subsidiaries had accumulated net operating losses available for carryforward for U.S. income tax purposes of $202,690 (2024 - $142,011). The pre-2018 accumulated net operating losses of $26,132 will expire in 2037. The U.S. state net operating losses of $207,227 will expire in 2031.

25. Commitments and contingencies:

There are risks which arise from the Company's joint arrangements, including the willingness of the other partners to contribute or withdraw funds and a change in creditworthiness of the partner. As a result, there may be a requirement by the Company to contribute cash into the operating partnerships, for operational shortfalls. Generally, there are no minimum or maximum 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 interest.

On December 31, 2018, the Company entered into an operating agreement with Javelina Ventures, LLC in which the Company was entitled to share in 5% of the net available cash flows from two rehabilitation communities in Arizona in exchange for a note receivable in minority ownership (note 4). 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 mortgages have been repaid or the guaranty is released. The guarantees were to expire upon repayment or settlement of the senior mortgages in place at the underlying communities, which matured on December 31, 2025. The Company assessed a $nil value to the loan as of December 31, 2025, due to downward trends in operational performance at the underlying communities.

Pursuant to the Company's sale of an equity interest in an investment property and associated issuance of mortgage 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, 2025. The recourse will expire upon repayment or settlement of the loan, which matures on July 10, 2026 after an extension was executed in 2025.

Pursuant to various dispositions throughout 2024 and 2025 (notes 6 and 14), the Company agreed to customary seller indemnifications. The indemnification relating to the Foxhound portfolio disposition features a tipping basket of $500,000 whereby the seller does not incur any liability until the sum of all claims is greater than $500,000. The Company, as seller, received notice for a single claim under the indemnification, but the claim has not been substantiated and falls far short of the tipping basket threshold. As such, no provision has been taken as of December 31, 2025, nor has the Company recognized provisions in respect to any other indemnification per other property sales due to the recognition thresholds not being met based on assessments of both likelihood and an ability to reasonably estimate the risk of loss at this time.

26. 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 presently consists of mortgages payable, debentures, 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, including those held as part of joint venture arrangements, 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 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. At December 31, 2025, the Company was unable to comply with year-end covenants related to two mortgages held as part of joint venture investments. However, the Company was able to obtain a loan modification agreement on March 4, 2026 from one lender that waived the year-end covenant, and has a built-in cure mechanism with the other lender to apply existing reserves to principal payments on the loan. At December 31, 2025, the Company was in compliance with all other debt covenants. Going forward in 2026, the Company expects to be in compliance with all mortgage covenants based on an assessment of the Company's ability to adhere to the required terms.

27. 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, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative instruments - asset	$ —	$ —	$ —	$ —	$ 590	$ —
Investment properties	—	—	—	—	—	207,526
Loans receivable	—	—	—	—	—	2,604
Profit-participation investment	—	—	330	—	—	700
Derivative instruments - liability	—	—	—	—	47	—
Deferred share liability	—	—	—	—	37	—
Debentures	—	27,300	—	—	27,300	—

For the assets and liabilities measured at fair value as at December 31, 2025, there were no transfers between levels during the period. For changes in fair value measurements of investment properties included in Level 3 of the fair value hierarchy, refer to note 6 for details. The fair values of the derivative instruments, when and as applicable, 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 and debentures were estimated using Level 2 inputs.

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, escrow deposits held by lenders, property tax receivables, accounts payable and accrued liabilities, accrued real estate taxes, 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 from origination to settlement.

	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans receivable	$ 16,639	$ 16,559	$ 11,425	$ 11,430
Derivative instruments	—	—	590	590
Bond assets	225	225	367	367
Profit-participation interest	330	330	700	700
Financial liabilities:				
Mortgages payable	6,072	6,072	148,224	143,348
Credit facilities	—	—	219,315	219,686
Derivative instruments	—	—	47	47
Debentures	27,300	27,300	27,300	27,300

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 these estimates. There were no changes in the methods and assumptions used in estimating the fair values during the years ended December 31, 2025 and 2024.

28. 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) 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 certain mortgages payable, which bear interest at variable rates. To manage interest rate risk, the Company had 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. 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, 2025	December 31, 2024
Fixed-rate financial liabilities [(1)]	$ 27,300	$ 88,287
Variable-rate financial liabilities [(2)]	$ 6,072	$ 306,552

(1) Includes debentures with an interest rate of 9.75%. The debentures were settled in full subsequent to year end (note 30).

(2) Includes a variable rate mortgage with a principal balance of $6,133 and a maturity of April 10, 2027.

As at December 31, 2025, 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 $61 (2024 - $1,234) change in the Company's finance costs over the next year.

(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 transactions and partnerships with new operators. The Company actively monitors its portfolio of loans and interest receivable to ensure its financial position and loss exposure is accurately reported. The Company also manages credit risk related to its cash balances by ensuring deposits are with reputable banking institutions.

(iii) Liquidity risk:

The Company's principal liquidity needs arise from working capital requirements, debt servicing and repayment obligations, and capital expenditures applicable at properties.

Liquidity risk arises from the possibility of not having sufficient debt, cash and equity capital available to the Company to 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, there can be no assurance that the Company will continue to generate sufficient cash flows 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 waivers or other financing, repay some or all of the corresponding obligation, or potentially be required to sell the corresponding property underlying the credit obligation.

The following are the contractual maturities of the Company's financial liabilities as at December 31, 2025, including expected interest payments based on interest rates in place, where applicable:

	Total	2026	2027[1]	2028	2029	2030	Thereafter
Mortgages payable principal	$ 6,133	$ —	$ 6,133	$ —	$ —	$ —	$ —
Debentures principal [1]	$27,300	—	27,300	—	—	—	—
Total principal	$33,433	$ —	$33,433	$ —	$ —	$ —	$ —
Percentage of total	100.0 %	— %	100.0 %	— %	— %	— %	— %
Mortgages payable interest	$ 603	$ 453	$ 150	$ —	$ —	$ —	$ —
Debentures interest [1]	5,324	2,662	2,662	—	—	—	$ —
Accounts payable and accrued liabilities	2,379	2,379	—	—	—	—	—
Accrued real estate taxes	437	437	—	—	—	—	—
Other liabilities	565	494	71	—	—	—	—
Total other obligations	$ 9,308	$ 6,425	$ 2,883	$ —	$ —	$ —	$ —
Total commitments	$42,741	$ 6,425	$36,316	$ —	$ —	$ —	$ —

(1) The Company settled the debentures in full in January 2026 (note 30) prior to its stated maturity date with cash on hand. Accordingly, the interest obligations in 2026 and 2027 have been reduced to $163 and nil, respectively.

Mortgages payable is comprised of a mortgage secured by an individual property classified as property, plant and equipment.

Accounts payable consist primarily of professional fees, other general and administrative costs payable, accrued interest, and other accrued costs. The Company settles accounts payable from cash generated from operations in the normal course. Other non-current liabilities relate to a lease liability. The Company expects to settle other non-current liabilities with cash flows available and generated from operations in the normal course.

29. Segments:

The Company's current portfolio includes investments in assisted living, independent living and memory care. The portfolio is classified into categories of: 1) long-term, triple-net leased properties, 2) wholly-owned properties and underlying operations, 3) interests in both the property and operations in joint ventures and joint arrangements with the operating partners at the facilities, and 4) medical office buildings. The Company's investment in medical office building is classified as part of discontinued operations.

The following tables show the net loss by reportable segment, consistent with historical segmented reporting disclosed by the Company, for the years ended December 31, 2025 and 2024. Prospectively, the Company will be managing, overseeing, and allocating resources of the entity as a single operating segment.

	Year ended December 31, 2025					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 9,545	$ —	$ —	$ 9,545	$ 1,021	$ 10,566
Resident rental and related revenue	—	59,873	—	59,873	—	59,873
Lease revenue from joint ventures	4,547	—	—	4,547	—	4,547
Other revenue	51	2,230	540	2,821	5	2,826
Interest income from loans receivable	—	—	1,290	1,290	—	1,290
Direct property operating expenses	—	45,699	—	45,699	974	46,673
Depreciation and amortization expense	—	1,438	133	1,571	—	1,571
Net finance costs from operations	7,356	10,404	2,767	20,527	210	20,737
Real estate property tax expense	1,923	—	—	1,923	287	2,210
General and administrative expenses	4,549	4,393	2,958	11,900	(86)	11,814
Transaction costs, net	1,129	1,608	1,403	4,140	187	4,327
Allowance for expected credit losses	464	—	2,069	2,533	—	2,533
Changes in non-controlling interest liability	(114)	110	—	(4)	—	(4)
Change in fair value of investment properties - IFRIC 21	—	—	—	—	(7)	(7)
Change in fair value of investment properties	35,794	—	—	35,794	443	36,237
Impairment of property, plant and equipment	—	1,229	—	1,229	—	1,229
Change in fair value of financial instruments	309	509	2,724	3,542	—	3,542
Realized loss on foreign operations	1,773	—	—	1,773	(48)	1,725
Change in fair value of profit participation investment	—	—	370	370	—	370
Loss (gain) on sale and acquisition of property, plant and equipment	—	(30,729)	12	(30,717)	—	(30,717)
Share of loss from joint ventures	(8,352)	—	—	(8,352)	—	(8,352)
Net loss	$ (47,392)	$ 27,442	$ (10,606)	$ (30,556)	$ (934)	$ (31,490)
Expenditures for non-current assets:						
Capital additions	$ 383	$ 456	$ —	$ 839	$ 170	1,009

	Year ended December 31, 2024 (as adjusted - note 14)					
	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	—	10,154	184	10,338	—	10,338
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)	$ (10,340)	$ (19,038)	$ (32,810)	$ (409)	$ (33,219)
Expenditures for non-current assets:						
Capital additions	$ 578	$ 4,873	$ —	$ 5,451	$ 557	6,008

The Company determined that in accordance with IAS 8, the segmentation of total assets and liabilities as of December 31, 2025 is not meaningful and therefore has not been disclosed. The following tables show assets and liabilities by reportable segment as at December 31, 2024:

	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

30. Subsequent event:

On January 23, 2026, the Company redeemed the outstanding 9.75% unsecured subordinated debentures totaling $27,300 due December 30, 2027. The debentures were redeemed in full in accordance with the terms of the indenture and have been delisted from the Toronto Stock Exchange.

Corporate Information

Directors

Scott White
Chairman

Adlai Chester
Director, Chief Executive Officer

Brad Benbow
Director

Shaun Hawkins
Director

Gail Steinel
Lead Independent Director

Officers and Senior Management

Adlai Chester
Chief Executive Officer

Quinn Haselhorst
Chief Financial Officer

Kari Onweller
EVP, Investments & Investor Relations

Shareholder Information

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Legal Counsel

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Calgary, Alberta

Stock Exchange Listing

Toronto Stock Exchange (IVQ.U, IVQ)

Transfer Agent and Registrar

Computershare Trust Company of Canada
Toronto, Ontario
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Shareholder and Investor Contact

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