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

INVESQUE INC.

Three Month Periods Ended March 31, 2025 and 2024
(Unaudited)

INVESQUE INC.

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

		March 31, 2025		December 31, 2024
Assets				(As adjusted - note 13)
Current assets:				
Cash	$	13,886	$	18,157
Tenant and other receivables (note 2)		7,344		6,978
Property tax receivables		1,385		2,064
Derivative financial instruments (note 10)		274		366
Loans receivable (note 3)		3,771		3,587
Assets held for sale (notes 13 and 14)		402,393		318,172
Other assets (note 4)		7,553		6,446
		436,606		355,770
Non-current assets:				
Loans receivable (note 3)		7,801		7,838
Derivative financial instruments (note 10)		—		224
Investments in joint ventures (note 7)		42,196		39,591
Investment properties (note 5)		115,906		207,526
Property, plant and equipment, net (notes 6 and 13)		27,448		27,796
Other assets (note 4)		1,290		1,393
		194,641		284,368
Total assets	$	631,247	$	640,138
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	12,456	$	12,075
Accrued real estate taxes		3,096		3,862
Credit facilities (note 8)		208,835		219,315
Mortgages payable (notes 9 and 13)		83,386		73,009
Other liabilities (note 11)		12,094		5,241
Liabilities related to assets held for sale (notes 13 and 14)		98,567		98,987
		418,434		412,489
Non-current liabilities:				
Mortgages payable (note 9)		69,668		75,215
Derivative financial instruments (note 10)		103		47
Debentures (note 12)		27,300		27,300
Other liabilities (note 11)		1,969		2,328
Non-controlling interest liability		596		669
		99,636		105,559
Total liabilities		518,070		518,048
Shareholders' equity:				
Common share capital (note 15)		599,865		599,827
Contributed surplus		25,418		25,418
Equity component of convertible instruments		2,094		2,094
Exchangeable units		867		867
Cumulative deficit		(511,479)		(502,536)
Accumulated other comprehensive loss		(3,588)		(3,580)
Total shareholders' equity		113,177		122,090
Subsequent events (notes 3, 8, 13, and 27)				
Total liabilities and shareholders' equity	$	631,247	$	640,138

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

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

	Three months ended March 31,	
	2025	2024
Revenue:		
Tenant rental revenue (note 17)	$ 4,346	$ 8,107
Resident rental and related revenue (note 17)	30,538	33,409
Lease revenue from joint venture arrangements (note 7)	1,133	909
Other revenue	1,375	1,217
	37,392	43,642
Other income	—	1,500
Interest income from loans receivable	254	214
Expenses (income) and fair value adjustments:		
Direct property operating expenses (note 18)	22,763	24,650
Depreciation expense (note 6)	404	3,468
Net finance costs from operations (note 19)	8,145	13,049
Real estate property tax expense	3,460	6,173
General and administrative expenses (note 20)	4,116	5,216
Transaction costs, net	135	276
Allowance for expected credit losses (note 19)	333	260
Change in non-controlling interest liability	24	124
Change in fair value of investment properties - IFRIC 21	(2,990)	(4,451)
Change in fair value of investment properties (note 5)	8,517	359
Impairment of property, plant and equipment	10	1,376
Change in fair value of financial instruments (note 19)	424	381
Loss (gain) on property, plant and equipment transactions	—	(8)
	45,341	50,873
Share of loss from joint ventures (note 7)	(1,183)	(1,206)
Loss before income taxes	(8,878)	(6,723)
Income tax recovery:		
Deferred income tax recovery (note 23)	—	889
Net loss from continuing operations	$ (8,878)	$ (5,834)
Net loss from discontinued operations (note 14)	(65)	(410)
Net loss	(8,943)	(6,244)
Other comprehensive loss:		
Items to be reclassified to net loss in subsequent periods		
Unrealized loss on translation of foreign operations	(8)	(1,018)
	(8)	(1,018)
Total comprehensive loss	$ (8,951)	$ (7,262)
Loss from continuing operations per share (note 16):		
Basic and diluted	$ (0.01)	$ (0.10)
Loss per share (note 16):		
Basic and diluted	$ (0.01)	$ (0.11)

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in thousands of U.S. dollars)
Three months ended March 31, 2025 and 2024

	Common share capital	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit (As adjusted - note 13)	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	—	—	—	—	—	(8,943)	—	(8,943)
Other comprehensive loss	—	—	—	—	—	—	(8)	(8)
Common shares issued on settlement of awards granted under the deferred share incentive plan (note 15)	38	—	—	—	—	—	—	38
Balance, March 31, 2025	$ 599,865	$ —	$ 25,418	$ 2,094	$ 867	$ (511,479)	$ (3,588)	$ 113,177

	Common share capital	Preferred share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2024	$ 518,370	$ 85,389	$ 400	$ 9,826	$ 2,049	$ (469,317)	$ (131)	$ 146,586
Net loss	—	—	—	—	—	(6,244)	—	(6,244)
Other comprehensive income (loss)	—	—	—	—	—	—	(1,018)	(1,018)
Cancellation of exchangeable units	—	—	—	—	(1,182)	—	—	(1,182)
Common shares issued on settlement of awards granted under the deferred share incentive plan	5	—	—	—	—	—	—	5
Balance, March 31, 2024	$ 518,375	$ 85,389	$ 400	$ 9,826	$ 867	$ (475,561)	$ (1,149)	$ 138,147

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
(Expressed in thousands of U.S. dollars)
Three months ended March 31, 2025 and 2024

	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash flows from (used in) operating activities:		
Net loss	$ (8,943)	$ (6,244)
Items not involving cash and other items:		
Change in fair value of investment properties (notes 5 and 14)	8,510	372
Change in fair value of financial instruments (note 19)	424	381
Impairment of property, plant and equipment	10	1,376
Transaction costs arising from dispositions	132	276
Depreciation expense	404	3,468
Allowance for expected credit losses (note 19)	333	260
Straight-line rent	(117)	(451)
Amortization of tenant inducements	67	64
Net finance costs from operations (notes 14 and 19)	8,243	13,266
Gain on loan exchange and amendment	—	717
Interest income from loans receivable	(254)	(214)
Change in non-controlling interest liability	24	124
Loss (gain) on property, plant and equipment transactions	—	(8)
Share of loss from joint ventures (note 7)	1,183	1,206
Deferred income tax recovery (note 23)	—	(889)
Interest paid	(7,442)	(9,414)
Interest income received	105	170
Debt extinguishment costs paid	—	(306)
Change in non-cash operating working capital:		
Tenant and other receivables	(150)	(1,133)
Accounts payable and accrued liabilities	(213)	(1,158)
Deferred revenue	(246)	(493)
Other assets	(926)	1,393
Other liabilities	(181)	(1,426)
Accrued real estate taxes	(766)	(697)
Cash provided by operating activities	$ 197	$ 640
Cash flows provided by (used in) financing activities:		
Payments on credit facilities (note 12)	$ (10,660)	$ (38,162)
Debt issuance costs paid (note 12)	(129)	—
Proceeds from mortgages (note 12)	6,133	466
Payments of mortgages	(1,098)	(31,105)
Repayment of lease liabilities	(121)	(145)
Payment for interest rate swap contract	(359)	—
Payment for settlement of interest rate swap contract	—	(185)
Cash used in financing activities	$ (6,234)	$ (69,131)
Cash flows from (used in) investing activities:		
Additions to investment properties	$ (61)	$ (481)
Proceeds from dispositions of investment properties, net (note 5)	—	66,391
Additions to property, plant and equipment	(1,266)	(1,364)
Proceeds from dispositions of property, plant and equipment	—	—
Proceeds for anticipated dispositions of assets held for sale, net (note 11)	7,000	
Proceeds from dispositions of assets held for sale, net	—	3,600
Distributions from joint ventures (note 7)	1,272	18
Contributions to joint ventures (note 7)	(5,083)	(586)
Distributions to non-controlling interest partners	(96)	(491)
Contributions from non-controlling interest partners	—	51
Issuance of loans receivable	—	(300)
Receipts from loans receivable	—	4,433
Cash provided by (used in) investing activities	$ 1,766	$ 71,271
Increase (decrease) in cash	(4,271)	2,780
Cash, beginning of period	18,157	10,745
Cash, end of period	$ 13,886	$ 13,525

See accompanying notes to these condensed consolidated interim financial statements.

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

The Company currently owns a portfolio of North American income generating properties across the health care spectrum. The Company's investment property portfolio includes investments in assisted living, memory care, independent living, skilled nursing and medical office properties, which are operated under long-term leases or joint venture arrangements with operating partners. The Company's consolidated portfolio also includes investments in owner occupied seniors housing properties where Invesque Inc. owns the real estate and provides management services exclusively through its majority-owned subsidiary management company, Commonwealth Senior Living LLC ("Commonwealth") - refer to note 13.

At March 31, 2025, the Company owned interests in a portfolio of 53 health care and senior living properties of the type noted above comprised of 17 consolidated investment properties, 3 consolidated owner-occupied properties, partial interests in 8 properties held through joint arrangements, 21 consolidated owner-occupied properties presented as assets held for sale and 4 investment properties presented as assets held for sale.

1. Basis of preparation:

(a) Liquidity Assessment

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

The Company believes, subject to the completion of the strategic sales of assets and refinancings, that it will have sufficient available liquidity to meet its minimum obligations as they come due and to comply with required financial covenants for a period of at least 12 months from March 31, 2025. In making this significant judgment, the Company has prepared a cash flow forecast and debt covenant projections with the most significant assumptions in the preparation of such forecast being the ability of its tenants to meet projected rental obligations to the Company, the ability of the Company to complete strategic sales of assets and the continued availability of financing. Management has also identified all near-term debt maturities and ensured adequate measures are underway to address their repayment or extension.

Working Capital Requirements

The Company expects to meet its working capital requirements with respect to accounts payable and accrued liabilities through cash on hand and operating cash flows. As at March 31, 2025, current liabilities totaled $418,434, and current assets totaled $436,606, resulting in a working capital deficit of $18,172 (December 31, 2024 - $412,489, $352,852 and $59,637, respectively). Excluding secured debt (being credit facilities and mortgages payable) and assets held for sale and liabilities related to assets held for sale, current liabilities totaled $27,646, and current assets totaled $34,213, resulting in a working capital surplus of $6,567.

The Company expects to be able to meet all of its obligations as they become due utilizing some or all of the following sources of liquidity: (i) cash on hand in excess of lender requirements (ii) cash flows generated from operations, (iii) property-specific mortgages and refinancings and (iv) strategic sale of assets. The Company also has the ability to raise additional liquidity through issuance of common shares, subject to market conditions, and alternative financing sources.

(b) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). All of the Company's subsidiaries and joint ventures adhere to the same accounting policies. The condensed consolidated interim financial statements do not include all of the information required for a set of annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024, which were issued on March 20, 2025.

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 condensed consolidated financial statements were approved by the Board of Directors of the Company and authorized for issuance on May 15, 2025.

(c) Discontinued operations:

The results of operations of the Company's medical office building segment are classified as discontinued operations in these financial statements (note 14). A discontinued operation is a component of the Company's business that either has been disposed of, or is classified as held for sale, and either 1) represents a separate major line of business or geographic area of operations, 2) is part of a coordinated single plan to dispose of a separate major line of business or geographic area of operations or 3) is a subsidiary acquired exclusively with a view to resale. Based on the Company's assessment, the segment has been classified as a discontinued operation. As of March 31, 2025, all except one property has been sold and it is expected to be disposed of in the next six to nine months.

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

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

2. Tenant and other receivables:

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

	March 31, 2025	December 31, 2024
Tenant and other receivables, gross	$ 14,523	$ 13,925
Allowance for uncollectible receivables	(7,179)	(6,947)
Tenant and other receivables, net	$ 7,344	$ 6,978

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

Balance, December 31, 2024	$ 6,947
Allowance	482
Collections — recoveries	(250)
Balance March 31, 2025	$ 7,179

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 three months ended March 31, 2025 is primarily due to the addition of new tenant balances at owner-occupied properties arising from considerations noted above, partially offset by individual tenant recoveries.

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

3. Loans receivable:

Loans receivable issued and outstanding as at March 31, 2025 and December 31, 2023 are detailed in the table below:

Debtor	Loan Type		March 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	$	574	February 21, 2020	March 1, 2025 (1)	5.9 %	— %
Symcare ML, LLC	Loan receivable		3,648		3,648	June 1, 2023	February 29, 2024	— %	10.0 %
Memory Care America, LLC	Loan receivable		3,897		3,901	March 31, 2023	July 31, 2025	10.0 %	— %
4 Pack Master Tenant, LLC	Loan receivable		1,229		1,219	June 1, 2023	May 31, 2038	— %	10.0 %
Constant Care Management Company, LLC	Loan receivable		607		607	January 31, 2024	June 30, 2026	10.0 %	— %
CCG Quartette Falls, LLC	Loan receivable		1,562		1,562	September 23, 2024	September 22, 2027	8.0 %	— %
Morrell Hulse	Loan receivable		1,988		1,988	December 10, 2024	December 1, 2028	8.0 %	— %
Accrued current and non-current interest			698		586				
Allowance for expected credit losses on loans receivable			(5,264)		(5,264)				
Carrying value of loans recorded at amortized cost		$	8,939	$	8,821				
Javelina Ventures, LLC	Loan receivable - FVTPL		2,633		2,604	December 31, 2018	(2)	5.0 %	— %
Carrying value of loans receivable		$	11,572	$	11,425				
Less current portion			3,771		3,587				
Non-current portion		$	7,801	$	7,838				

(1) Maturity date is the earlier of March 1, 2025, the date at which the existing debt secured by the property is refinanced, or upon termination of the management agreement. The loan was paid in full on April 4, 2025.

(2) 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.

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

		Stage 1		Stage 2		Stage 3		Total
Loans receivable, net of loan fees	$	6,008	$	—	$	8,195	$	14,203
Allowance for losses on loans receivable		(59)		—		(5,205)		(5,264)
Loans receivable, net of allowances	$	5,949	$	—	$	2,990	$	8,939

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

The changes in the gross loans receivable balance during the three months ended March 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	—	—	—	—
Stage 2	—	—	—	—
Stage 3	—	—	—	—
	$ 5,984	$ —	$ 8,101	$ 14,085
Issuances	124	—	94	218
Repayments	(100)	—	—	(100)
PIK interest	—	—	—	—
Current interest	—	—	—	—
Currency translation	—	—	—	—
Amortization of mark-to-market adjustment	—	—	—	—
Non-cash settlement	—	—	—	—
Write off of loans receivable	—	—	—	—
Total loans receivable as at March 31, 2025	$ 6,008	$ —	$ 8,195	$ 14,203

The changes in the allowance for credit losses during the period ended March 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	—	—	—	—
Modification	—	—	—	—
Transfer to/(from)				
Stage 1	—	—	—	—
Stage 2	—	—	—	—
Stage 3	—	—	—	—
	$ 59	$ —	$ 5,205	$ 5,264
Write off of loans receivable and allowances	—	—	—	—
Non-cash settlement	—	—	—	—
Total allowance for credit losses as at March 31, 2025	$ 59	$ —	$ 5,205	$ 5,264

For the three months ended March 31, 2025, a loss of $0, (three months ended March 31, 2024 - $319) was recorded as part of the remeasurement in the allowance for credit losses on loans and interest receivable in the condensed consolidated interim statements of loss and comprehensive loss.

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

4. Other assets:

		March 31, 2025		December 31, 2024
Prepaid expenses	$	1,717	$	1,715
Security deposits and costs related to pending transactions		475		436
Escrow deposits held by lenders		3,765		3,225
Right-of-use assets		297		326
Bond assets		293		367
Profit participation investment		700		700
Other		1,596		1,070
	$	8,843	$	7,839
Current	$	7,553	$	6,446
Non-current		1,290		1,393
	$	8,843	$	7,839

Escrow deposits held by lenders include amounts held for use in payment and settlement of real estate taxes, property insurance and replacement reserves and other loan requirements.

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

5. Investment properties:

(a) Investment properties:

	Number of Properties	Amount
Balance, December 31, 2024	17	$ 207,526
Capital expenditures	—	61
Increase attributable to straight-line rents	—	117
Fair value adjustment	—	(8,517)
Amortization of tenant inducements	—	(60)
Transferred to assets held for sale (note 13)	(10)	(83,204)
Foreign currency translation	—	(17)
Balance, March 31, 2025	7	$ 115,906
Property tax liability under IFRIC 21		(2,990)
Fair value adjustment to investment properties - IFRIC 21		2,990
		$ 115,906

At March 31, 2025, the Company used an internal valuation process to value its investment properties. Third party appraisers are engaged to prepare valuations on a portion of the portfolio annually such that one third of the portfolio is valued externally each year, and every property in the portfolio is valued externally at least once every five years. Management considers the external valuations for a cross-section of investment properties that represent different geographical locations across the Company's portfolio and updates, as deemed necessary, the Company's internal valuation models to reflect current market data as well as purchase options made available to certain investment properties.

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

Capital expenditures include costs related to expansion projects ($61 total for the three months ended March 31, 2025) at four properties in Canada that are jointly owned and proportionately consolidated in these financial statements.

The Company continues to review market overall capitalization rates, terminal capitalization rates and discount rates as well as its stabilized future cash flows and future cash flows over the investment holding period, in light of the present interest rate and general economic environments. The carrying value for the Company’s investment properties reflects its best estimate for the highest and best use as at March 31, 2025.

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

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

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

A summary of the significant unobservable inputs and ranges for each approach used as at March 31, 2025 and December 31, 2024 are set out in the following table:

Three months ended March 31, 2025					
Approach	**Fair Value**	**Input**	**Min**	**Max**	**Weighted Average**
Direct capitalization income	$ 13,325	OCR	8.50 %	8.50 %	8.50 %
Discounted cash flow	79,147	TCR	6.75 %	6.75 %	6.75 %
		IRR	8.25 %	8.25 %	8.25 %
Other (purchase option)	23,434	N/A	N/A	N/A	N/A
Total	$ 115,906				

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

The estimated fair value of investment properties valued using the direct capitalization income approach is most sensitive to changes in overall capitalization rates and stabilized future cash flows. Changes in the overall capitalization rates and stabilized future cash flows would result in the following changes in the fair value of the Company's investment properties as of March 31, 2025, valued using this approach:

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

		Change in stabilized future cash flows		
		(1.00)%	— %	1.00 %
Change in overall capitalization rate ("OCR")	(0.25)%	$ 266	$ 404	$ 541
	— %	$ (133)	$ —	$ 133
	0.25 %	$ (510)	$ (381)	$ (251)

The estimated fair value of investment properties valued using the discounted cash flow approach is most sensitive to changes in terminal capitalization rates and discount rates. Changes in the terminal capitalization rates and discount rates would result in the following changes in the fair value of the Company's investment properties as of March 31, 2025, valued using this approach:

		Change in discount rate ("IRR")		
		(0.25)%	— %	0.25 %
Change in terminal capitalization rate ("TCR")	(0.25)%	$ 3,119	$ 2,266	$ 1,424
	— %	$ 829	$ —	$ (813)
	0.25 %	$ (1,296)	$ (2,099)	$ (2,891)

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

6. Property, plant and equipment, net:

(a) Property, plant and equipment, net:

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

	Land	Buildings	Furniture, fixtures and equipment	Total
Cost				
Balance, December 31, 2024	$ 4,750	$ 22,226	$ 2,323	$ 29,299
Additions	—	61	—	61
De-recognition	—	—	(5)	(5)
Balance, March 31, 2025	$ 4,750	$ 22,287	$ 2,318	$ 29,355
Accumulated depreciation and impairment losses				
Balance, December 31, 2024	$ —	$ 442	$ 1,061	$ 1,503
Depreciation	—	267	137	404
Balance, March 31, 2025	$ —	$ 709	$ 1,198	$ 1,907
Property, plant and equipment, net balance, December 31, 2024	$ 4,750	$ 21,784	$ 1,262	$ 27,796
Property, plant and equipment, net balance, March 31, 2025	$ 4,750	$ 21,578	$ 1,120	$ 27,448

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

7. Joint arrangements:

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

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

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

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

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

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

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

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

The Company owns a 29% direct beneficial interest in the investment properties of the Invesque-Autumnwood Landlord entities ("landlords") and with Autumnwood is jointly obligated for the related mortgages for a portfolio of four properties. These properties are classified as joint controlled operations and are accounted for under the proportionate consolidation method. The Company's 29% interest in the operations of these investment properties is held through separate legal entities (collectively referred to as "Invesque-Autumnwood Operator"), which under IFRS 11, Joint arrangements, are classified as joint ventures and are accounted for using the equity method. Invesque-Autumnwood Operator has leased the real estate from the related party landlords under their respective lease agreements. These leases are for three-year periods, with six automatic renewals every third anniversary for a total of 21 years. The Company's proportionate share of the landlords' lease receipts totaling $$1,133 for the three months ended March 31, 2025 (three months ended March 31, 2024 - $909), were reported as lease revenue from joint ventures in the statements of loss and comprehensive loss. Invesque-Autumnwood Operator's lease expense in connection with these properties is included in the share of loss from joint ventures.

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

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

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash contributions to joint ventures	$ 5,083	$ 586
Distributions received from joint ventures	$ 1,272	$ 18

	March 31, 2025 Net assets	March 31, 2025 Company share of net assets	December 31, 2024 Net assets	December 31, 2024 Company share of net assets
Cash	$ 2,249	$ 1,870	$ 1,012	$ 639
Tenant and other receivables	2,384	1,797	2,368	1,822
Other	2,718	3,267	5,515	5,061
Current assets	7,351	6,934	8,895	7,522
Investment properties	189,632	152,449	189,632	152,644
Property, plant and equipment, net	1,374	398	1,369	397
Other non-current assets	9	8	9	8
Total assets	$ 198,366	$ 159,789	$ 199,905	$ 160,571
Accounts payable and accrued liabilities	$ 13,918	$ 9,820	$ 15,701	$ 11,117
Deferred revenue	980	809	780	643
Mortgages payable - current	34,743	29,865	35,944	30,827
Current liabilities	49,641	40,494	52,425	42,587
Mortgages payable - non-current	93,291	76,533	93,861	77,002
Other non-current liabilities	690	566	1,943	1,391
Total liabilities	$ 143,622	$ 117,593	$ 148,229	$ 120,980
Net assets	$ 54,744	$ 42,196	$ 51,676	$ 39,591

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

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	Net loss at 100%	Company share of net loss	Net loss at 100%	Company share of net loss
Revenue	$ 18,799	$ 10,898	$ 17,193	$ 10,305
Property operating expense	16,871	9,374	15,274	8,693
Net finance costs	2,319	1,930	1,836	1,518
General and administrative expenses	(6)	(4)	7	4
Transaction costs	454	299	—	—
Change in fair value of financial instruments	—	—	637	526
Change in fair value of investment properties	358	482	854	770
Net loss prior to distributions to owners	$ (1,197)	$ (1,183)	$ (1,415)	$ (1,206)

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

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

	March 31, 2025	December 31, 2024
Mortgages at fixed rates:		
Mortgages (principal)	$ 32,333	$ 33,615
Interest rates	6.99% to 14.50%	6.99% to 8.00%
Weighted average interest rate	8.36 %	7.38 %
Mortgages at variable rates:		
Mortgages (principal)	$ 96,814	$ 97,351
Interest rates	SOFR plus 2.05% to SOFR plus 4.50%	SOFR plus 2.05% to SOFR plus 4.50%
Weighted average interest rate	6.77 %	6.97 %
Blended weighted average rate	7.17 %	7.07 %

Certain of the mortgages payable contain financial and non-financial covenants that are subject to quarterly compliance assessments. The Company expects to satisfy the covenant requirements in 2025 as stipulated, which may include consideration of certain cure periods or further paydowns of principal amounts.

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

8. Credit facilities:

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

		March 31, 2025	Borrowing rate at March 31, 2025		December 31, 2024	Borrowing rate at December 31, 2024
Credit Facility	$	34,975	7.23 %	$	44,975	7.43 %
Commonwealth Facility (1)		174,052	5.76 %		174,711	5.76 %
Finance costs, net		(192)	—		(371)	—
Carrying value	$	208,835	6.01 %	$	219,315	6.10 %
Less current portion		208,835			219,315	
Non-current portion	$	—		$	—	

(1) The interest rate as of March 31, 2025, which is reflective of the in-place variable-fixed swapped rate and applicable credit spread. The interest rate swap matured May 1, 2025, while the facility matures August 1, 2025, with a one-year extension option.

Future principal repayments of the credit facilities are as follows:

		Aggregate principal payments
2025	$	209,027
2026 and thereafter		—
Total	$	209,027

The corporate credit facility matures in September 2025, however the Company believes it will qualify for another six-month extension option.

The Commonwealth credit facility is expected to be settled in conjunction with the sale of all properties and the Company's ownership in the management company operated by Commonwealth Senior Living (collectively, the "Foxhound portfolio"). Management anticipates the sale of the Foxhound portfolio to close in 2025, subject to purchaser due diligence and other contingencies (note 13).

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

9. Mortgages payable:

Mortgages payable consist of the following as at:

	March 31, 2025	December 31, 2024
Mortgages payable	$ 153,992	$ 149,217
Mark-to-market adjustment, net	180	182
Finance costs, net	(1,118)	(1,175)
Carrying value	$ 153,054	$ 148,224
Less current portion	83,386	73,009
Non-current portion	$ 69,668	$ 75,215

Mortgages payable are first charge mortgages secured and collateralized by investment properties and property, plant and equipment with a carrying value of $238,154 at March 31, 2025. Maturity dates on mortgages payable range from 2025 to 2049, and the weighted average years to maturity is 2.64 years at March 31, 2025.

Future principal payments on the mortgages payable as at March 31, 2025 are as follows:

	Regular principal payments	Principal due on maturity	Total principal payments	% of total principal payments
2025	$ 1,325	$ 75,360	$ 76,685	50 %
2026	1,409	11,203	12,612	8 %
2027	835	23,293	24,128	16 %
2028	838	2,857	3,695	2 %
2029	502	29,479	29,981	19 %
Thereafter	6,891	—	6,891	5 %
	$ 11,800	$ 142,192	$ 153,992	100 %

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

$32,971 of outstanding mortgages as of March 31, 2025 are directly associated with properties in the Commonwealth - Foxhound portfolio. As per the purchase and sale agreement, the mortgages are expected to be settled in conjunction with the sale of the directly related assets. Therefore, these mortgages are included in liabilities directly associated with assets held for sale in the consolidated statements of financial position, and not included in the balances shown in the above tables.

As of March 31, 2025, a mortgage with an outstanding balance of $5,323 has matured and is past due. The Company is working with the lender to obtain an extension. The Company expects to dispose of the property associated with the loan (note 14).

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

	March 31, 2025	December 31, 2024
Mortgages at fixed interest rates:		
Mortgages (principal)	$ 70,378	$ 61,100
Interest rates	2.55% to 6.62%	2.55% to 12.00%
Weighted average interest rate	5.43 %	5.56 %
Mortgages at variable rates(1):		
Mortgages (principal)	$ 83,614	$ 88,117
Interest rates	SOFR plus 3.50% with a 2% SOFR cap to SOFR plus 4.00%	SOFR plus 3.50% with a 2% SOFR cap to SOFR plus 4.00%
Weighted average interest rate	7.53 %	7.51 %
Weighted average interest rate	6.57 %	6.71 %

(1) Weighted average interest rates include variable rate debt of $9,679 that is fixed with interest rate swaps and interest rate caps. Details of fixed rate swaps and cap rates are as follows:

Balance and swapped or capped rate at March 31, 2025	Stated interest rate	Interest rate swap / cap maturity	Debt maturity
$2,995 fixed swap at 8.1%	7.9 %	August 5, 2026	August 5, 2026
$6,684 rate cap at 5.5%	7.8 %	June 10, 2025	January 10, 2026

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

10. Derivative financial instruments:

(a) Derivative swaps and interest rate caps:
Derivative swaps and interest rate caps as at March 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 period ended	
Swaps and Caps	Maturity date	Fixed rate	Notional amount	March 31, 2025	December 31, 2024	March 31, 2025	March 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%	—	—	—	—	(14)
Commonwealth Credit Facility Swap (3)	May 1, 2025	SOFR fixed at 3.50%	174,052	234	288	(54)	(822)
Christiansburg Mortgage Rate Cap(4)	July 1, 2028	SOFR capped at 2.00%	9,863	—	—	—	(80)
Merchants Bank of Indiana Mortgage Rate Cap(5)	June 10, 2025	SOFR capped at 2.00%	6,684	40	78	(38)	(83)
Carrollton Mortgage Swap	August 5, 2026	SOFR fixed at 5.02%	2,995	(50)	(47)	(3)	46
Wesbanco Mortgage Swaps (6)	May 10, 2029	SOFR fixed at 3.64%	20,438	(53)	224	(277)	—
			Net carrying value and net fair value adjustments	$ 171	$ 543	$ (372)	$ (301)
			Less current portion	274	366		
			Non-current portion	$ (103)	$ 177		
			Derivative instruments asset	$ 274	$ 590		
			Derivative instruments liability	(103)	(47)		
				$ 171	$ 543		

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

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

(3) The original swap was terminated on June 29, 2023 and re-contracted, with new terms, with an effective date of September 1, 2023. In May 2024, August 2024, November 2024 and February 2025 swaps with three-month maturities we re-contracted, for total premium costs of $2,485. The premium obligations resulting from swaps are included as part of finance costs.

(4) The interest cap consists of an interest rate spread ceiling of 2.00% and a base rate of 2.45%. In July 2024 the interest cap was extended 48 months for $895. As of March 31, 2025, the cap is classified under assets held for sale, as the buyer of the upcoming property sale of the Foxhound portfolio is expected to assume the instrument (note 13).

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

(6) The three interest rate swaps were contracted August 1, 2024 but were not effective until May 10, 2025.

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

11. Other liabilities:

Other liabilities are as follows:

	March 31, 2025	December 31, 2024
Deferred shares liability (note 21)	$ —	$ 37
Security deposits received from tenants	287	289
Escrows collected from tenant	1,124	918
Deferred revenue	2,540	2,785
Lease liability	348	453
Severance liability (note 20)	1,635	1,809
Deposit on property held for sale (note 27)	7,000	—
Other	1,129	1,278
	$ 14,063	$ 7,569
Current	$ 12,094	$ 5,241
Non-current	1,969	2,328
	$ 14,063	$ 7,569

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

	Credit facilities	Mortgages payable	Debentures	Total
Balance December, 31, 2024	$ 219,315	$ 148,224	$ 27,300	$ 394,839
Proceeds from financing activities	—	6,133	—	6,133
Repayments and refinancings	(10,000)	(494)	—	(10,494)
Scheduled principal payments	(660)	(468)	—	(1,128)
Financing costs paid	—	(129)	—	(129)
Amortization of financing costs, mark to market adjustments	180	177	—	357
Gain on loan paydown	—	(386)	—	(386)
Changes in foreign currency rates	—	(3)	—	(3)
Balance, March 31, 2025	$ 208,835	$ 153,054	$ 27,300	$ 389,189

13. Disposal group classified as assets held for sale:

Throughout 2024, the Company executed purchase and sale agreements for three investment properties in New York and expects to close on the sale transactions in the first six months of 2025 (note 27). As of March 31, 2025, the properties are encumbered by mortgages payable with a total principal amount of $25,996. As per the purchase and sale agreements, these mortgages are not required or expected to be settled in conjunction with the sale of the properties. Accordingly, the mortgages have not been classified as liabilities directly associated with assets held for sale. Subsequent to March 31, 2025, the Company executed a sale of one of the properties (note 27).

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

In the second quarter of 2024, the Company executed purchase and sale agreements to sell eight properties operated by Commonwealth Senior Living. On October 15, 2024, a sale of seven of the eight properties closed and the remaining asset is expected to close in 2025. The remaining asset is secured by a mortgage with a principal balance $6,684. The mortgage is not expected to be settled in conjunction with an anticipated sale of the directly related asset, although management expects to repay the mortgages upon the sale of the property. Accordingly, the mortgage has not been classified as a liability directly associated with assets held for sale. The remaining property is subject to a nine-month purchase option available to the same buyer, which begins upon the fulfillment of certain conditions related to the physical property.

In the third quarter of 2024, the Company executed a purchase and sale agreement to sell the Commonwealth - Foxhound portfolio. The transaction is expected to close in 2025, subject to customary closing conditions. The sale is also subject to the buyer obtaining satisfactory financing and is expected to utilize a promissory note as part of the net consideration. As of March 31, 2025, a portion of the portfolio was secured by a credit facility with a principal amount of $174,052, which is included in credit facilities in the condensed consolidated interim statements of financial position. As per the purchase and sale agreement, the credit facility was not required or expected to be assumed by the buyer in conjunction with the sale. Further, the credit facility is expected to be repaid by the Company upon the sale of the portfolio. The portfolio is also encumbered by mortgages payable with a total principal value of $45,181 as of March 31, 2025. $28,640 of mortgages directly linked to the assets classified as held for sale are expected, but not required, to be assumed by the buyer and are included in liabilities related to assets held for sale. A mortgage totaling $16,541 is included in mortgages payable in the condensed consolidated interim statements of financial position as it is not required or expected to be settled in conjunction with the sale of the directly related assets, but rather is expected to be settled by the Company at the close of the sale. The portfolio is also encumbered by a preferred unit liability that is expected to be assumed by the buyer and is included in liabilities related to assets held for sale. Two of the properties to be sold within the Foxhound portfolio will be subject to a put option whereby the Company would be obligated to purchase back both properties at a later time, with the total price dependent on occupancy metrics as specified in the purchase and sale agreement.

In April 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 (note 27). As of March 31, 2025, the properties are encumbered by mortgages payable with a total principal amount of $48,519. As per the purchase and sale agreements, these mortgages are not required or expected to be settled in conjunction with the sale of the properties. Accordingly, the mortgages have not been classified as liabilities directly associated with assets held for sale.

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

		March 31, 2025
Investment properties	$	119,075
Property, plant and equipment		276,684
Other assets		2,131
Total assets held for sale	$	397,890
Accounts payable and accrued liabilities	$	5,687
Mortgages payable [(1)]		32,971
Commonwealth preferred unit liability		58,606
Other liabilities		1,179
Total liabilities related to assets held for sale	$	98,443

(1) Includes principal balances totaling $28,640, net loan fees of $299 and a net mark-to-market adjustment of $4,630.

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

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 December 31, 2024 period. Depreciation expense totaling $2,918 was incorrectly recorded in the fourth quarter 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 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 results 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 these condensed consolidated interim 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 condensed consolidated interim 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.

14. Discontinued operations:

A strategic decision was made by the Company to exit the medical office building segment in 2022. The sale of the remaining building in the United States is expected to be completed in 2025. On July 26, 2022, the Company sold a medical office building in Orlando, Florida, and on July 28, 2022, it sold ten medical office buildings in Canada. On November 28, 2022, the Company sold a medical office building in Brantford, Ontario. On April 7, 2023, the Company sold a medical office Building in Orlando, Florida and on August 14, 2024, the Company sold a medical office building in Buffalo, New York.

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

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

	March 31, 2025	December 31, 2024
Investment properties	$ 4,400	$ 4,400
Other assets	103	72
Total assets of discontinued operations classified as held for sale	$ 4,503	$ 4,472
Other liabilities	$ 124	$ 218
Total liabilities related to discontinued operations classified as held for sale	$ 124	$ 218

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

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

	Three months ended March 31, 2025	2024
Rental revenue	$ 316	$ 298
Other revenue	—	5
Direct property operating expense	206	360
Net finance costs from operations	98	217
Real estate tax expense	287	403
General and administrative expense	13	16
Change in fair value of investment properties - IFRIC 21	(216)	(303)
Change in fair value of investment properties	(7)	13
Foreign exchange loss (income) reclassified from other comprehensive income	—	7
Net loss from discontinued operations	$ (65)	$ (410)

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

	Three months ended March 31, 2025	2024
Net cash provided by (used in) operating activities	$ (39)	$ (26)
Net cash provided by (used in) financing activities	—	—
Net cash provided by (used in) investing activities	—	(13)

15. Share capital:

(a) Common shares:

The following number and value of common shares were issued and outstanding as at March 31, 2025 and 2023:

	Common shares	Carrying value
Balance, December 31, 2024	913,617,112	$ 599,827
Issued on settlement of Deferred Share Incentive Plan	457,281	38
Issued on settlement of equity settled Deferred Shares	—	—
Reversal of obligation for purchase of units under automatic share purchase plan	—	—
Balance, March 31, 2025	914,074,393	$ 599,865

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.

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

16. Earnings (loss) per share:

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

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

Net loss:

	Three months ended March 31,	
	2025	2024
Net loss from continuing operations for basic and diluted net loss per share	$ (8,878)	$ (5,834)
Net loss for basic and diluted net loss per share	$ (8,943)	$ (6,244)

Denominator for basic and diluted net loss per share:

	Three months ended March 31,	
	2025	2024
Weighted average number of shares, including fully vested deferred shares: Basic and diluted	914,074,393	56,658,322

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

17. Revenue:

(a) Tenant Rental Revenue:

Tenant rental revenue consists of the following:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
Contractual rental revenue	$	3,455	$	6,000
Straight-line rent adjustments		117		451
Amortization of tenant inducements		(60)		(61)
Amortization of leasing commission		(5)		(5)
Property tax recoveries		839		1,722
	$	4,346	$	8,107

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

Future minimum rental revenues, excluding renewals and exercise of extension options, to be received subsequent to March 31, 2025 are as follows:

		As of March 31, 2025
Less than 1 year	$	14,900
Between 1 and 5 years		61,145
More than 5 years		71,680
	$	147,725

(b) Resident rental and related revenue:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
Resident revenue	$	24,946	$	27,233
Service revenue (1)		5,592		6,176
	$	30,538	$	33,409

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

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

18. Direct property operating expenses:

Direct property operating expenses consist of the following:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Repairs and maintenance	$ 718	$ 688
Utilities	1,081	1,089
Compensation and benefits	14,568	16,449
Other services and supplies	1,837	2,112
Administrative and marketing	2,153	2,541
Real estate taxes	869	517
Insurance	623	695
Other	914	559
	$ 22,763	$ 24,650

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

19. Net finance costs:

Net finance costs consist of the following:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Interest expense on credit facilities	$ 3,616	$ 6,307
Interest expense on mortgages payable	2,586	3,097
Interest expense on debentures	665	—
Interest expense on convertible debentures	—	1,385
Interest expense on interest rate caps and swaps [(1)]	458	—
Dividends on Commonwealth preferred units	1,275	1,022
Amortization and accretion expense	374	1,373
Net income from interest rate swaps	(456)	(1,192)
Debt extinguishment costs	(370)	273
Gain on loan exchange	—	(685)
Amortization of mark-to-market debt adjustments	(3)	1,469
Net finance costs from operations	$ 8,145	$ 13,049
Allowance for credit losses on loans and interest receivable (note 3)	—	319
Allowance for credit losses on taxes and insurance receivable	333	(59)
Change in fair value of financial instruments	424	381
Accretion of fair value adjustment on convertible debentures	—	1,472
Change in non-controlling interest liability related to finance costs from operations	(14)	(13)
Total finance costs	$ 8,888	$ 15,149

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

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

20. General and administrative:

General and administrative expenses consist of the following:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Compensation and benefits	$ 2,985	$ 3,063
Professional fees	658	1,059
Deferred share compensation expense	2	14
Insurance	151	181
Rent	121	109
Other	199	790
	$ 4,116	$ 5,216

For the three months ended March 31, 2025, $2,439 (three months ended March 31, 2024 - $2,410) of general and administrative expenses noted above, most of which were reflective of compensation and benefits, were incurred at the Commonwealth Senior Living's management company.

21. Deferred share incentive plan:

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

	Granted/ Outstanding	Fully Vested
As at December 31, 2024	457,281	457,281
Discretionary Deferred Shares	—	—
Equity Settled Deferred Shares	—	—
Individual Contributed Deferred Shares (vested immediately)	—	—
Company Contributed Deferred Shares	—	—
Shares issued upon vesting of deferred shares	(457,281)	(457,281)
Shares forfeited	—	—
As at March 31, 2025	—	—

For the three months ended March 31, 2025, the Company recognized $2 of expense related to deferred shares in the consolidated statements of loss and comprehensive loss (three months ended March 31, 2024 - $14). A deferred share liability of $0 is included in other non-current liabilities in the consolidated statements of financial position as at March 31, 2025 (December 31, 2024 - $37).

The deferred share incentive plan compensation expense is measured on grant at the service commencement date, based on the fair market value of the Company's shares, and amortized over the applicable vesting period. For the year ended March 31, 2025, the Company granted zero deferred shares with a grant-date fair value of $nil (December 31, 2024 - zero units with a grant-date fair value of $nil).

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

22. Related party transactions:

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

On March 29, 2024, the Company announced that IVQ Stock Holding Company, LLC ("ISHC"), a company controlled by Adlai Chester ("Mr. Chester"), the Company's Chief Executive Officer and a member of its board of directors, entered into a share purchase agreement to acquire 16,982,283 common shares of the Company from certain subsidiaries of Tiptree Inc. (collectively, "Tiptree") at a price of $0.0368 per common share and an aggregate purchase price of $625,000. Following the acquisition, which closed in the second quarter of 2024, Tiptree no longer owns or controls any shares in the Company. Following the execution of the Preferred Share Exchange (see below), ISHC and Mr. Chester own less than 5% of the outstanding common shares of the Company.

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

On November 26, 2024, the Company announced the approval of holders of Common Shares of the exchange of certain funds (the "Exchanging Magnetar Funds") managed by Magnetar Financial LLC ("Magnetar") whereby Magnetar agreed to exchange the Company's class A convertible preferred shares held by it for 716,875,000 common shares of the Company (the "Preferred Share Exchange") (note 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 own and exercise control over approximately 80% of the Common Shares.

23. 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 three months ended March 31, 2025 and 2024 are as follows:

	Three months ended March 31,	
	2025	2024
Net loss from continuing operations before income taxes	$ (8,878)	$ (6,723)
Income tax recovery at Canadian tax rate	(2,353)	(1,781)
Non-deductible expenses	1	5
Difference in tax rate in foreign jurisdiction	(62)	(41)
Unrecognized tax benefit	2,414	928
Income tax recovery	$ —	$ (889)

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

24. Commitments and contingencies:

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

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

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

Pursuant to the Commonwealth purchase and sale agreement executed in a prior period, the Company may be required to fund one or more earnout payments relating to six communities that had not yet reached stabilization at the time of acquisition by the Company. These earnout payments are only payable in the event specific occupancy and EBITDAR thresholds have been satisfied and must be met prior to the third anniversary of closing at which time the earnout payment obligation will cease to exist. The earnout payments, when funded, will consist of a combination of cash and additional preferred interests. To date, the Company has paid $2,744 of Commonwealth preferred units and $2,508 of cash on hand. As at March 31, 2025, the Company has recorded a liability of $nil (December 31, 2023 - $nil) in the consolidated financial statements associated with this commitment based on the weighted average probability of earnout payments owed using estimated future results at the properties, and has not recognized any adjustment related to the change in fair value of contingent consideration (December 31, 2023 - $nil) related to this liability in the consolidated statements of loss and comprehensive loss. However, should the anticipated sale transaction of the Foxhound - Commonwealth portfolio (note 13) take place, this contingency will no longer be in effect.

Pursuant to the Company's sale of an equity interest in an investment property and associated issuance of debt on July 8, 2022, the Company entered into an agreement to provide a 100% recourse loan guarantee of up to $14,273 to the purchaser, applicable throughout the life of the mortgage. The amount of the loan guarantee may be reduced upon the achievement of performance covenants by the purchaser and related operations of the property, which have not been met as of March 31, 2025.

25. 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:

	March 31, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative instruments - asset	$ —	$ 274	$ —	$ —	$ 590	$ —
Investment properties	—	—	115,906	—	—	207,526
Loans receivable	—	—	2,633	—	—	2,604
Profit-participation interest	—	—	700	—	—	700
Derivative instruments - liability	—	103	—	—	47	—
Deferred share liability	—	—	—	—	37	—

For the assets and liabilities measured at fair value as at March 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 5 for details. The fair values of the derivative instruments represent estimates at a specific point in time using financial models, based on interest rates that reflect current market conditions, the credit quality of counterparties and interest rate curves. Fair value measurements of derivative instruments were estimated using Level 2 inputs. Fair value of deferred share liability represents the value of the units if converted using the market price of the Company's common shares.

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

Fair value of financial instruments:

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

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans receivable	$ 11,572	$ 11,566	$ 11,425	$ 11,430
Derivative instruments	274	274	590	590
Bond assets	293	293	367	367
Profit-participation interest	700	700	700	700
Financial liabilities:				
Mortgages payable	153,054	148,952	148,224	143,348
Credit facilities	208,835	209,027	219,315	219,686
Derivative instruments	103	103	47	47
Debentures	27,300	27,164	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 the estimates. There were no changes in the methods and assumptions used in estimating the fair values since year-end.

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

26. Segments:

The Company’s current portfolio includes investments in assisted living, independent living, memory care, long-term care, and medical office properties. The Company's senior housing and care investments in assisted living, independent living, memory care and long-term care share similar characteristics and are generally leased to operators on a long-term, triple-net lease basis. In some instances, the Company has an interest in both the property and operations in joint ventures and joint arrangements with the operating partner at the facility. The Company considers these investments to be one reportable operating segment. The Company also has an investment in a medical office building ("Medical office buildings") that is classified as part of discontinued operations. This multi-tenant medical office portfolio has different characteristics that are evaluated by management and is considered to be a separate operating segment. Through the acquisition of Commonwealth, a consolidated subsidiary, and the transition of certain other assets, the Company has investments in 24 properties and a management company that operates 21 of those properties ("owner occupied property"). Management considers this a separate reportable segment.

The following tables show net loss by reportable segment for the three months ended March 31, 2025 and 2024:

	Three months ended March 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	$ 4,346	$ —	$ —	$ 4,346	$ 316	$ 4,662
Resident rental and related revenue	—	30,538	—	30,538	—	30,538
Lease revenue from joint ventures	1,133	—	—	1,133	—	1,133
Other revenue	6	1,240	129	1,375	—	1,375
Interest income from loans receivable	—	—	254	254	—	254
Direct property operating expenses	—	22,763	—	22,763	206	22,969
Depreciation and amortization expense	—	358	46	404	—	404
Net finance costs from operations	2,288	5,173	684	8,145	98	8,243
Real estate property tax expense	3,460	—	—	3,460	287	3,747
General and administrative expenses	2	2,439	1,675	4,116	13	4,129
Transaction costs, net	—	51	84	135	—	135
Allowance for expected credit losses	333	—	—	333	—	333
Changes in non-controlling interest liability	(48)	72	—	24	—	24
Change in fair value of investment properties - IFRIC 21	(2,621)	(369)	—	(2,990)	(216)	(3,206)
Change in fair value of investment properties	8,517	—	—	8,517	(7)	8,510
Impairment of property, plant and equipment	—	10	—	10	—	10
Change in fair value of financial instruments	280	144	—	424	—	424
Share of loss from joint ventures	(1,183)	—	—	(1,183)	—	(1,183)
Net loss	$ (7,909)	$ 1,137	$ (2,106)	$ (8,878)	$ (65)	$ (8,943)
Expenditures for non-current assets:						
Capital additions	$ 61	$ 61	$ —	$ 122	$ —	122

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

	Three months ended March 31, 2024					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings (discontinued operations)	Total
Tenant rental revenue	$ 8,107	$ —	$ —	$ 8,107	$ 298	$ 8,405
Resident rental and related revenue	—	33,409	—	33,409	—	33,409
Lease revenue from joint ventures	909	—	—	909	—	909
Other revenue	5	993	219	1,217	5	1,222
Other income	1,500	—	—	1,500	—	1,500
Interest income from loans receivable	1	—	213	214	—	214
Direct property operating expenses	—	24,650	—	24,650	360	25,010
Depreciation and amortization expense	—	3,422	46	3,468	—	3,468
Net finance costs from operations	4,608	5,556	2,885	13,049	217	13,266
Real estate property tax expense	6,173	—	—	6,173	403	6,576
General and administrative expenses	36	2,409	2,771	5,216	16	5,232
Transaction costs, net	390	—	(114)	276	—	276
Allowance for expected credit losses	(57)	—	317	260	—	260
Changes in non-controlling interest liability	7	117	—	124	—	124
Change in fair value of investment properties - IFRIC 21	(4,451)	—	—	(4,451)	(303)	(4,754)
Change in fair value of investment properties	359	—	—	359	13	372
Change in fair value of financial instruments	(31)	1,064	(652)	381	—	381
Loss (gain) on sale and acquisition of property, plant and equipment	—	(8)	—	(8)	—	(8)
Foreign exchange loss reclassified from other comprehensive income	—	—	—	—	7	7
Impairment of property, plant and equipment	—	1,376	—	1,376	—	1,376
Share of income (loss) from joint ventures	(1,206)	—	—	(1,206)	—	(1,206)
Income tax expense (recovery)	—	—	(889)	(889)	—	(889)
Net income (loss)	$ 2,282	$ (4,184)	$ (3,932)	$ (5,834)	$ (410)	$ (6,244)
Expenditures for non-current assets:						
Capital additions	$ 468	$ 1,356	$ —	1,824	$ 13	1,837

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

The following tables show assets and liabilities by reportable segment as at March 31, 2025 and December 31, 2024:

	As at March 31, 2025					
	Seniors housing and care investment properties	Owner occupied properties	Corporate/ other	Total continuing operations	Medical office buildings	Total
Investment properties	$ 115,906	$ —	$ —	$ 115,906	$ —	$ 115,906
Property, plant and equipment, net	—	27,202	246	27,448	—	27,448
Investment in joint ventures	42,196	—	—	42,196	—	42,196
Loans receivable	1,437	—	10,135	11,572	—	11,572
Assets held for sale	119,075	278,815	—	397,890	4,503	402,393
Other assets	5,727	17,025	8,980	31,732	—	31,732
Total assets	$ 284,341	$ 323,042	$ 19,361	$ 626,744	$ 4,503	$ 631,247
Mortgages payable	$ 118,595	$ 29,136	$ —	$ 147,731	$ 5,323	$ 153,054
Credit facilities	34,975	173,860	—	208,835	—	208,835
Debentures	—	—	27,300	27,300	—	27,300
Non-controlling interest liability	497	99	—	596	—	596
Other liabilities	4,826	10,990	13,902	29,718	—	29,718
Liabilities related to assets held for sale	—	98,443	—	98,443	124	98,567
Total liabilities	$ 158,893	$ 312,528	$ 41,202	$ 512,623	$ 5,447	$ 518,070

	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	277,829	—	313,700	4,472	318,172
Other assets	5,801	17,312	12,515	35,628	—	35,628
Total assets	$ 290,086	$ 322,640	$ 22,940	$ 635,666	$ 4,472	$ 640,138
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

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

At March 31, 2025, $106,182 of the Company's non-current assets, excluding financial instruments, are located in the United States (December 31, 2024 - $192,508) and $79,958 are located in Canada (December 31, 2023 - $83,098). During the three months ended March 31, 2025, the Company generated $34,884, (three months ended March 31, 2024 - $41,516), of its revenues, excluding other revenue, from properties located in the United States and $1,133, (three months ended March 31, 2024 - $909) of its revenues from properties located in Canada.

27. Subsequent events:

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 ($18,203 principal balance)and the residual (approximately $7,312) was retained by the Company for working capital purposes.

On April 29, 2025, the Company executed a purchase and sale agreement to sell ten memory care assets for a sale price of $83,204. As of March 31, 2025, the properties are encumbered by mortgages payable with a total principal amount of $48,519.