INVESQUE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE MONTHS ENDED MARCH 31, 2025

May 15, 2025

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 three months ended March 31, 2025. This MD&A is intended to provide readers with an assessment of the performance of Invesque Inc. (the "Company") for the three months ended March 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, 2024 and 2023, 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 loss and comprehensive 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, 2024 (the "2024 AIF"), can be found on SEDAR at www.sedar.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 facilities or be permitted, that the Company's lender will agree to a waiver or an amendment to the definition of net worth in the current credit agreement for future reporting periods and are subject to significant known and unknown risks, uncertainties, 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 obtaining and maintaining 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 and facilities 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.sedar.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 May 15, 2025, 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 in independent living, assisted living, memory care, skilled nursing and medical office properties, some of which are operated under joint venture arrangements with industry leading operating partners. The Company's skilled nursing facilities, a portion of its assisted living properties, and its memory care portfolios are operated under long-term leases. The Company's portfolio also includes investments in owner occupied seniors housing properties in which it owns the real estate and operations. The majority of the operations are managed through its subsidiary management company, Commonwealth Senior Living ("Commonwealth"). The Company made a strategic decision to exit the medical office building segment in 2022 and therefore reports results of this segment as discontinued operations in the Company's consolidated financial statements.

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 SNFs (defined below), 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 SNFs (defined below). 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 communities receive most of their revenues through private pay sources and may also receive revenue from third-party pay sources, including federal, state and provincial governments.

- **Skilled Nursing Facilities ("SNFs"):** SNFs are senior care facilities that provide a room, meals and assistance with daily life activities and have licensed nursing staff on duty 24 hours per day. These facilities provide the most intensive level of medical and nursing care in a residential setting for seniors, typically treating residents with physical or mental impairments that prevent them from living in IL or AL communities. In many cases, these facilities supplement hospital care by providing care to patients who require medical and therapeutic services but are stable enough to have these services provided in a facility that is less expensive than a hospital or other post-acute care setting. The SNF segment includes services to patients requiring medical and/or nursing care and rehabilitation services for post-operative procedures including hip or knee replacements and cardiac surgeries, among others. SNFs are subject to extensive federal, state and provincial regulation, including licensing requirements and regulations relating to government funding. SNFs receive revenue from private pay sources and third-party pay sources, including federal, state and provincial governments and insurance companies.

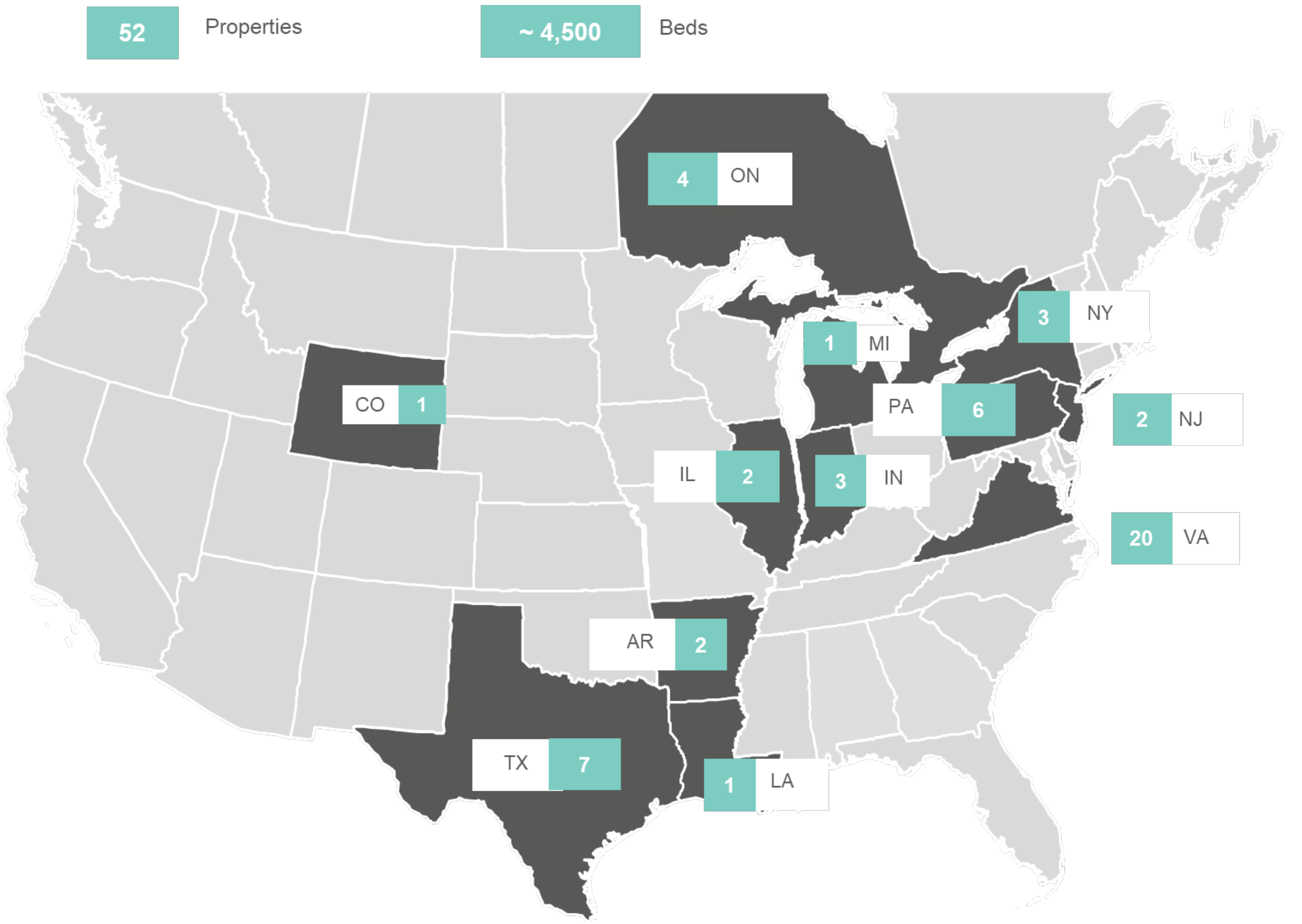
- **Medical Office Buildings ("MOBs"):** MOBs represent a segment of healthcare real estate comprised of various outpatient healthcare settings. Outpatient care, sometimes referred to as ambulatory care, is defined as medical care or treatment that does not require an overnight stay in a hospital or medical facility. Unlike seniors housing and care properties, the utilization of outpatient care settings and MOBs is generally not age-restricted and is available to all segments of the population. In the United States, MOBs can house service providers that provide a wide variety of healthcare services, ranging from family medicine and geriatric care to plastic surgery, and those providers can each accept a wide variety of reimbursements for services, including private pay, Medicare, Medicaid and insurance and managed care plans. A strategic decision has been made to exit the medical office building segment, and the sale of the remaining building is expected to be completed in 2025. Accordingly, this segment has been classified as discontinued operations in the condensed consolidated interim financial statements for the three months ended March 31, 2025.

  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 potential buyer 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 fair value of the investment properties at period-end.

For the Company's IL and AL properties, it either owns the land and buildings and leases them to third party operators on a long-term, triple-net basis, 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 triple-net lease structured assets, the tenant operators assume the operational risks and expenses associated with operating a seniors housing and care facility on the leased premises. For its SNF properties, it generally owns the land and buildings and leases them to third party operators on a long-term, triple-net lease basis. The tenant operators provide and manage the service offerings available at the facilities, deliver all care services, and maintain the buildings. For wholly-owned or partially-owned and occupied properties, the Company owns the real estate and provides management services and assumes all or a portion of operating risk within the buildings.

As of May 15, 2025, the Company owns or has a majority interest in a portfolio of 48 properties in the United States, which comprises of 45 assisted living and memory care facilities, 2 skilled nursing facilities and 1 medical office building. In Canada, the Company owns an interest in 4 seniors housing assets.

The Company's geographic footprint as of May 15, 2025:



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, its triple-net lease and joint venture structures and its relationships with reputable operators, 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 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. Further, the Company has assessed that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. In making this significant judgment, the Company has prepared a cash flow forecast and debt covenant projections with the most significant assumptions in the preparation of such forecast being the ability of its tenants to meet projected rental obligations to the Company, the ability of the Company to complete strategic sales of assets and the continued availability of financing. Management has also identified all near-term debt maturities and ensured adequate 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 and cash equivalents 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, $355,770 and $56,719, 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.

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 April 29, 2025, the Company executed a purchase and sale agreement to sell ten memory care assets for a sale price of $83,204.

Selected Financial Information

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

	As at March 31, 2025	As at December 31, 2024 (As adjusted) [6]
Consolidated investment properties	17	17
Consolidated owner occupied properties	3	3
Properties held for sale	25	25
Weighted average lease term to maturity (excludes renewal options)[1]	8.6 years	8.9 years
Average facility age	10.9 years	10.6 years
Total assets	$ 631,247	$ 640,138
Total indebtedness	$ 389,189	$ 394,839
Weighted average interest rate on debt [2]	6.5 %	6.6 %
Joint venture properties	8	8
Joint venture total assets [3]	$ 159,789	$ 202,241
Joint venture indebtedness [3]	$ 106,398	$ 107,829
Joint venture weighted average interest rate on debt	7.2 %	7.3 %

	Three months ended March 31,	
	2025	2024
Revenue [4]	$ 37,392	$ 43,642
Direct property operating expenses [4]	$ 22,763	$ 24,650
Net finance costs [4]	$ 8,145	$ 13,049
General and administrative expenses [4]	$ 4,116	$ 5,216
Change in fair value of investment properties [4]	$ 8,517	$ 359
Income (loss) from joint ventures [4]	$ (1,183)	$ (1,206)
Net loss	$ (9,107)	$ (6,244)
Total comprehensive loss	$ (9,115)	$ (7,262)
Funds from operations (FFO) [5]	$ 2,052	$ 2,504
Adjusted funds from operations (AFFO) [5]	$ 2,215	$ 2,081

(1) The weighted average lease term to maturity does not include the medical office building portfolio accounted for as a discontinued operation, In addition, it does not include owner occupied properties accounted for a property, plant and equipment due to the variety and nature of existing leases within the portfolio.

(2) The Company's weighted average interest rates at March 31, 2025 and December 31, 2024, included $9,679 and $9,684 respectively, of the Company's debt that is fixed with interest rate swaps that have a term that extends over periods that are shorter in term and duration as compared to the variable debt outstanding. As of March 31, 2025, the weighted average term to maturity for the Company's fixed debt with interest rate swaps is 1.6 years while the term to maturity of the fixed rate swaps is 1.2 years.

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

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

(5) 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.

(6) 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.

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

Revenue from continuing operations

	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
Total rental revenue	4,346	8,107
Resident rental and related services revenue	30,538	33,409
Lease revenue from joint ventures	1,133	909
Other revenue	1,375	1,217
Total revenue	$ 37,392	$ 43,642

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 primarily responsible to pay. The decrease in contractual rental revenue for the three months ended March 31, 2025 as compared to the prior year period is primarily due to the sale of investment properties in the prior year.

Resident rental and related revenue relates to operating revenue at the wholly owned properties that are managed by subsidiaries Commonwealth and Chapters Living ("Chapters"), where the Company owns the real estate and is the operator of the facility. This revenue consists 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 ended March 31, 2025 as compared to the prior year period is due to the dispositions of seven Commonwealth properties in the third quarter of 2024, partially offset by rate increases at Commonwealth and the acquisition of operations at three Chapters buildings.

Lease revenue from joint ventures represents revenue earned under lease arrangements with four operating entities, which are jointly owned by the Company with a third party. Lease revenue from joint ventures contractually escalates at a minimum of 3.5% each calendar year. In addition to contractual preferred receipts, the Company also receives a share of distributions from certain expansion operations of the joint ventures.

Other revenue includes management fee income earned from communities managed by Commonwealth but that are not owned by the Company. Commonwealth currently manages 13 properties that are not owned by the Company.

Other income from continuing operations

Other income for the three months ended March 31, 2025 was $nil (year ended March 31, 2024 - $1,500 of income recognized upon a lease transition 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 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

The direct property operating expenses relate to expenses at the Company's owner occupied properties. As of March 31, 2025, the owner occupied properties include 20 properties operated by Commonwealth, three properties operated by Chapters and one operated by Viva Senior Living. The decrease in direct property operating expenses for the three months ended March 31, 2025 as compared to the prior year period is primarily due to dispositions of seven Commonwealth properties, partially offset by general inflationary increases in expenses and the acquisition of operations at three Chapters buildings.

Depreciation expense from continuing operations

For the three months ended March 31, 2025, depreciation expense was $404 (three months ended March 31, 2024 - $3,468), 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 ended March 31, 2025 as compared to the prior year period is primarily due to the disposition of seven Commonwealth properties and the classification of the Commonwealth-Foxhound portfolio as held for sale assets, partially offset by increased depreciation resulting from capital additions in the year the acquisition of property, plant and equipment at three Chapters buildings.

Net finance costs from continuing operations

Net finance costs from operations 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	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 interest rate swap receipts	(456)	(1,192)
Debt extinguishment costs	(370)	273
Gain on loan exchange	—	(685)
Amortization of mark-to-market debt adjustments	(3)	1,469
	$ 8,145	$ 13,049

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

Net finance costs are primarily related to interest and amortization on the Company's credit facilities and mortgages payable. Interest expense on credit facilities decreased in the three months ended March 31, 2025 as compared to the prior year period due to principal payments made on the Company's corporate credit facility. Interest expense on mortgages payable decreased in the three months ended March 31, 2025 as compared to the prior year period due to the sale of seven Commonwealth properties that were encumbered by over $50,800 in a mortgage, partially offset by an increase in the weighted average borrowing rate on mortgage debt. The interest expense on interest rate caps and swaps in the current period was a result of short term interest rate swap and cap premiums paid in the period and the amortization of prior period premiums paid. The Commonwealth preferred units were issued by the Company as partial consideration for the Commonwealth acquisitions in a prior period and earn a dividend rate of 8.00% per annum. Amortization and accretion expense decreased in the three months ended March 31, 2025 as compared to the prior year period due to the accretion of the 2018 Convertible Debentures equity components in the prior year period. Changes in amortization of mark-to-market debt adjustments in the three months ended March 31, 2025 as compared to the prior year period is primarily due to fair market adjustments to 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.

Interest income from loans receivable from continuing operations

For the three months ended March 31, 2025, interest income from loans receivable was $254 (three months ended March 31, 2024 - $214). 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. The increase in interest income for the three months ended March 31, 2025 as compared to the prior year period is primarily due to the issuance of loans in 2024.

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

For the three months ended March 31, 2025, real estate tax expense was $3,460 (three months ended March 31, 2024 - $6,173), which represents property tax expensed 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 as compared to the prior year period is primarily due to the disposition of investment properties and corresponding true-ups of actual tax bills. Real estate tax expense on the Company's owner-occupied properties is included in direct property operating expenses in the consolidated statements of loss and comprehensive loss.

The following table presents real estate tax expense 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 primarily due to properties within the owner-occupied segment that are not classified as held for sale.

	Three months ended March 31,	
	2025	2024
Revenue - property tax recoveries	$ (839)	$ (1,722)
Real estate tax expense	3,460	6,173
Change in fair value of investment properties - IFRIC 21	(2,990)	(4,451)
	$ (369)	$ —

General and administrative expenses from continuing operations

General and administrative expenses consist of the following:

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Corporate	CSL[(1)]	Total	Corporate	CSL	Total
Compensation and benefits	$ 833	$ 2,152	$ 2,985	$ 1,001	$ 2,062	$ 3,063
Professional fees (recoveries)	658	—	658	1,059	—	1,059
Deferred share compensation	2	—	2	14	—	14
Insurance	151	—	151	181	—	181
Rent	121	—	121	109	—	109
Other	(88)	287	199	442	348	790
	$ 1,677	$ 2,439	$ 4,116	$ 2,806	$ 2,410	$ 5,216

(1) Defined below.

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 ended March 31, 2025 as compared to the prior year period are primarily due to a reduction in headcount at Corporate, partially offset by 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 for the three months ended March 31, 2025 as compared to the prior year period decreased primarily due to reduced legal and audit fees in the prior year period.

The change in deferred share compensation expense for the three months ended March 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 expense primarily includes cost of insurance, fees earned by directors of the Company, travel and entertainment expense, franchise and licensure taxes, investor relations, marketing, foreign exchange loss (gain), 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 costs.

Allowance for expected credit losses from continuing operations

Allowance for credit losses on loans and interest receivable for the three months ended March 31, 2025 was $333 (three months ended March 31, 2024 - $260). The change in credit losses in the current year period as compared to the prior year period was negligible. 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.

Change in non-controlling interest liability

The change in non-controlling interest liability was an expense of $24 for the three months ended March 31, 2025 (three months ended March 31, 2024 - $124). 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 controls, but does not own 100% of, the investment. The change in non-controlling interest liability during the three months ended March 31, 2025 as compared to the prior year period is primarily due to operating results at the properties.

Change in fair value of investment properties from continuing operations

The change in estimated fair value of investment properties for the three months ended March 31, 2025 was a decrease of $8,517 (three months ended March 31, 2024 - decrease of $359). The change in fair value of investment properties was primarily driven by an adjustment to record investment properties at fair value based on the Company's estimate of fair value using level 3 inputs as of March 31, 2025. The adjustments for the three months ended March 31, 2025 were primarily driven by downward adjustments to the ten memory care assets under agreement to sell and the Autumnwood portfolio to reflect market conditions.

Impairment of property, plant and equipment from continuing operations

Impairment of property, plant and equipment for the three months ended March 31, 2025 was $10 (three months ended March 31, 2024 - $1,376). The change in impairment of property, plant and equipment was due to a prior period fair market valuation of a senior housing facility in Maryland with declining operational performance.

Change in fair value of financial instruments from continuing operations

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Change in fair value of interest rate swaps and caps	$ 418	$ 301
Change in fair value of prepayment embedded derivatives	6	80
Total loss (income) from change in fair value of financial instruments	$ 424	$ 381

The change in fair value of financial instruments for the three months ended March 31, 2025 and 2024 was due to changes in variable interest rates that underlie the corresponding interest rate swaps and caps. The Company does not apply hedge accounting to its interest rate derivatives. These derivatives are adjusted to fair value each reporting period and are presented as part of finance costs in the consolidated statements of loss and other comprehensive loss. 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.

Loss from joint ventures

	Three months ended March 31, 2025	Three months ended March 31, 2024
Revenue	$ 10,898	$ 10,305
Property operating expense	9,374	8,693
Finance costs	1,930	1,518
General and administrative expenses	(4)	4
Change in fair value of financial instruments	—	526
Change in fair value of investment properties	482	770
Loss from joint ventures	$ (884)	$ (1,206)

Loss from joint ventures represents the Company's share of net loss from entities in which the Company has an equity or jointly controlled interest. The change in loss from joint ventures during the three months ended March 31, 2025 as compared to the prior year period is primarily due to the change in fair value of investment properties, and increased operating and finance costs at a recently opened senior living facility in Parker, Colorado that has yet to reach stabilization. Finance costs also increased in the current year periods as compared to the prior year periods due to the maturity of an interest rate swap in the second quarter of 2024.

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.

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 ended March 31, 2025 was a loss of $8 (three months ended March 31, 2024 - gain of $(1,018)). The change in gain (loss) on translation of foreign operations for the three months ended March 31, 2025 as compared to the prior year period 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 ended March 31, 2025 the Company reclassified $nil (three months ended March 31, 2024 - $7 loss) of unrealized foreign exchange gain to realized foreign exchange gain related to activity within the medical office building reportable segment.

Cash Flow Analysis

	Three months ended March 31, 2025	2024
Cash provided by operating activities	$ 197	$ 640
Cash used in financing activities	(6,234)	(69,131)
Cash provided by (used in) investing activities	1,766	71,271
Increase (decrease) in cash and cash equivalents	$ (4,271)	$ 2,780

Cash Provided by Operating Activities

Cash from operating activities decreased during the three months ended March 31, 2025 as compared to the prior year period. The decrease is primarily a result of decreased cash flows from operations due to property dispositions during the prior year.

Cash Used in Financing Activities

Cash used in financing activities for the three months ended March 31, 2025 was $6,234 as compared to cash used in financing activities of $69,131 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 $11,758, partially offset by cash proceeds from issuance of mortgages of $6,133. 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 $69,267.

Cash Provided by (Used in) Investing Activities

Cash used in investing activities for the three months ended March 31, 2025 was $1,766 as compared to cash provided in investing activities of $71,271 in the prior year period. The decrease in cash from investing activities as compared to the prior period was due to dispositions of investment property in the prior year period.

Financial Position

Total assets of $631,247 are comprised primarily of $115,906 of investment properties, which represents the estimated fair market value of the Company's portfolio of properties, including capital expenditures, and $27,448 of property, plant and equipment, net of $1,907 of accumulated depreciation as at March 31, 2025. Cash on hand at March 31, 2025 was $13,886, net loans receivable were $11,572, investments in joint ventures were $42,196, total derivative assets were $274, and other assets were $8,843. Total gross loans receivable of $16,836 is offset by an allowance for losses on loans receivable of $5,264. Gross loans receivable includes $3,648 of gross loans made to Symcare, of which 100% is fully reserved. Other assets consisted of $3,765 of escrows held by lenders, $1,717 of prepaid expense, $297 of right-of-use asset, $293 of bond assets and $1,596 of other costs. In addition, current assets include assets held for sale of $402,393, tenant and other receivables of $7,344 and real estate tax receivables of $1,385. The loans receivable balance related mainly to the issuance of loans for the operation of seniors housing and care properties in the United States.

Total liabilities of $518,070 includes current liabilities of $418,434 (see "Liquidity and Capital Resources" for additional information) and non-current liabilities of $99,636. The current liabilities included $3,096 of real estate taxes payable. Accounts payable and accrued liabilities represented $12,456 of the balance in current liabilities. In addition, current liabilities included $83,386 representing the current portion of mortgages payable, net of loan fees. Non-current liabilities included $69,668 representing the non-current portion of mortgages payable, net of loan fees; $27,300 of the convertible debentures, net of fees; $103 of derivative liabilities and $596 of non-controlling interest liability. Other non-current liabilities of $1,969 primarily consisted of security deposits received from tenants, lease liability, loan commitment liability, and a liability related to deferred shares granted under the Company's deferred share incentive plan.

Summary of Quarterly Results

The following table summarizes the Company's quarterly unaudited financial information from April 1, 2023 through March 31, 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	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended June 30, 2023
Revenue [1]	$ 37,392	$ 38,747	$ 42,381	$ 43,099	$ 43,642	$ 46,290	$ 46,741	$ 50,257
Other income [1]	—	—	—	—	1,500	—	—	—
Direct property operating expenses [1]	22,763	23,444	26,504	24,565	24,650	26,069	27,542	26,386
Depreciation expense [1]	404	403	2,916	3,551	3,468	4,252	3,854	3,743
Finance costs [1]	8,145	11,220	12,878	12,547	13,049	15,079	16,019	12,564
Interest income from loans receivable (expense) [1]	254	473	200	189	214	(251)	587	531
Real estate tax expense (recovery) [1]	3,460	23	(2,074)	(61)	6,173	58	50	(1,954)
General and administrative expenses [1]	4,116	4,871	3,824	7,859	5,216	4,545	4,146	4,953
Transactions costs (recoveries)	135	1,403	20	42	276	(541)	673	655
Allowance for expected credit losses [1]	333	3,127	429	195	260	1,097	465	13,123
Changes in non-controlling interest liability [1]	24	279	214	188	124	11	95	69
Change in fair value of investment properties - IFRIC 21 [1]	(2,990)	843	1,999	1,609	(4,451)	2,310	1,423	5,371
Change in fair value of investment properties [1]	8,517	(2,449)	261	5,976	359	11,196	140	44,440
Impairment of property, plant and equipment [1]	10	985	280	454	1,376	5,147	3,636	—
Change in fair value of financial instruments [1]	424	(4,185)	2,228	777	381	4,286	(11,962)	(9,475)
Gain (loss) on sale and acquisition of property, plant and equipment [1]	—	875	(209)	(18)	(8)	(10)	—	—
Income (loss) from joint ventures [1]	(1,183)	(2,935)	(605)	(1,448)	(1,206)	(4,527)	(1,454)	1,872
Deferred income tax expense (recovery) [1]	—	—	—	(716)	(889)	1,605	(958)	(959)
Net income (loss) from continuing operations	(8,878)	(4,554)	(7,294)	(15,128)	(5,834)	(33,592)	751	(46,256)
Net income (loss) from discontinued operations	(65)	917	(229)	(687)	(410)	(4,716)	(159)	330
Net income (loss) for the period	(8,943)	(3,637)	(7,523)	(15,815)	(6,244)	(38,308)	592	(45,926)
Funds from operations [2]	2,052	(216)	1,081	1,424	2,504	1,970	4,223	5,824
Adjusted funds from operations [2]	2,215	1.554	1,003	1,111	2,081	1,613	3,017	5,927

(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.

The Company's results for the past eight quarters have primarily been affected by the timing of property acquisitions, dispositions, changes in the fair value of investment properties and financial instruments, higher finance costs attributable to the interest rate environment, and increases 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, credit facilities, 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. 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, $355,770 and $56,719, respectively). Excluding secured debt (such as credit facilities and mortgages payable) and assets held for sale and liabilities related to assets held for sale, current liabilities totaled $27,646, 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. With respect to near-term debt maturities, including mortgages and credit facilities, the Company believes it will be successful in either refinancing or settling each of the near-term debt instruments through sales of the underlying assets securing such debts. However, any refinancing transaction involves inherent risk of the current market interest rate environment.

In the third quarter of 2024, the Company executed a purchase and sale agreement to sell the Commonwealth - Foxhound portfolio. The transaction is expected to close in the first six months of 2025, subject to customary closing conditions. The transaction is expected to settle all secured debt, including outstanding credit facilities and mortgages, and all of the preferred equity that currently encumbers the portfolio (approximately $278,000 in total debt). In addition, the Company in under contract to sell three seniors housing properties in New York and expects to close on sales in the first six months of 2025. The Company expects to settle approximately $26,000 in secured mortgages in conjunction with the three sales, one of which was executed in the second quarter of 2025.

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 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, 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, 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 in order to support the broader corporate strategy or in response to 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, which is the current focus of the Company.

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 to best adhere to its corporate strategy.

Debt Strategy and Indebtedness

Debt Strategy

The Company, taking into account availability of financing, market conditions, and the financial characteristics of the properties, seeks to maintain a combination of short, medium, and long-term debt maturities that are appropriate for the overall debt level of its portfolio. The Company utilizes conventional property-specific or portfolio-specific secured mortgages, as well as unsecured and non-recourse financing. 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. Over the long-term, the Company strives to have a portfolio with an average years to maturity of four-seven years.

The Company plans to continue to reduce the corporate credit facility by selling investment properties and refinancing qualified assets with various lenders and platforms and by selling assets over the upcoming 12 months. The Company is exposed to the risk of selling assets at below-market prices, although management is confident in its ability to find suitable buyers to purchase assets at fair market prices. To manage interest rate risk, the Company may enter into derivative instruments. Management's objectives are to source the lowest cost fixed rate debt within its targeted levels while laddering its fixed rate maturity schedule to effectively manage repricing risk. The Company does not designate its interest rate swaps as hedges for financial reporting purposes, and they are marked to fair value each reporting period through change in fair value of financial instruments in the consolidated statements of loss and other comprehensive loss.

Indebtedness

	Principal Amount	Weighted Average Interest Rate	Years to Maturity (1)
Fixed Rate Indebtedness			
Mortgages payable	$ 70,378	5.4 %	4.0
2024 Debentures	27,300	9.8 %	2.8
	97,678	6.6 %	3.7
Variable Rate Indebtedness			
Credit Facility Term and Revolver	$ 34,975	7.2 % (2)	0.5
Commonwealth Facility	174,052	5.8 %	0.3
Mortgages payable	83,614	7.5 %	1.5
	292,641	6.4 %	0.7
Total indebtedness	$ 390,319	6.5 %	1.4
Loan fees and issue costs, net of amortization and accretion	(1,310)		
Equity component of convertible debentures, excluding issue costs and taxes	—		
Mark-to-market adjustment, net	180		
Carrying amount	$ 389,189		

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

(2) Weighted average interest rates include debt that is fixed with interest rate swaps and interest rate caps, however such derivatives have terms to maturity that are shorter than the applicable debts. Details of fixed rate swaps and cap rates are as follows:

	Stated interest rate	Swapped rate / cap maturity	Debt maturity
Mortgages payable:			
$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

Joint Venture Indebtedness

	Principal Amount	Weighted Average Interest Rate	Years to Maturity
Fixed rate mortgages payable	$ 32,333	8.4 %	2.8
Variable rate mortgages payable	96,814	6.8 %	1.9
Total Indebtedness	$ 129,147	7.2 %	2.2
Less loan fees, net of amortization	(1,113)		
Carrying amount	$ 128,034		
Company's share of carrying amount	$ 106,398		

2024 Debentures

The 2024 Debentures are not convertible for common shares of the Company, incur interest of 9.75% per annum and will mature on December 30, 2027.

Debt Covenant Compliance

Credit Facility:

Debt to total assets is calculated by dividing the total consolidated indebtedness, net of loan costs, by the total consolidated assets of the Company. Consolidated assets is calculated using the total undepreciated purchase price of the Company's real estate, as defined in the agreement. At March 31, 2025, the Company is in compliance with the required debt to total asset ratio under the terms of the corporate credit facility.

The Company's debt service coverage ratio for assets encumbered by the corporate credit facility is calculated by dividing adjusted operating income by assumed debt service of the facility as of the applicable test period. At March 31, 2025, the Company is in compliance with the required debt service coverage ratio under the terms of the corporate credit facility.

The Company's fixed charge coverage ratio is calculated by dividing adjusted earnings before interest, taxes, depreciation and amortization by certain fixed charges, which are comprised of interest expense payable in cash, regularly scheduled principal payments, and preferred dividends paid. For covenant purposes, the consolidated fixed charge coverage ratio is calculated on a trailing twelve month basis. For the trailing twelve month period ended March 31, 2025, the fixed charge coverage ratio of the Company was in compliance with the levels required under the terms of the corporate credit facility. For the same period, all other debt covenants were in compliance.

Mortgage Debt:

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 March 31, 2025, the Company is in compliance with all material debt covenants.

As of May 15, 2025, 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 credit facility and mortgage debt in order 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 March 31, 2025, including expected interest payments, is as follows:

	Total	2025	2026	2027	2028	2029	Thereafter
Credit facilities principal [1]	$209,027	$209,027	$ —	$ —	$ —	$ —	$ —
Mortgages payable principal	153,992	76,685	12,612	24,128	3,695	29,981	6,891
Debentures principal	27,300	—	—	27,300	—	—	—
Commonwealth preferred unit liability principal [2]	58,606	58,606	—	—	—	—	—
Total principal	$448,925	$344,318	$ 12,612	$ 51,428	$ 3,695	$ 29,981	$ 6,891
Percentage of total	100.0 %	76.7 %	2.8 %	11.5 %	0.8 %	6.7 %	1.5 %
Credit facilities interest	$ 4,914	$ 4,914	$ —	$ —	$ —	$ —	$ —
Mortgages payable interest	18,549	5,676	4,110	2,857	2,510	1,107	2,289
Debentures interest	7,320	1,996	2,662	2,662	—	—	—
Commonwealth preferred unit liability interest [2]	4,220	4,220	—	—	—	—	—
Accounts payable and accrued liabilities	12,456	12,456	—	—	—	—	—
Accrued real estate taxes	3,096	3,096	—	—	—	—	—
Other current liabilities	12,094	12,094	—	—	—	—	—
Other non-current liabilities	1,969	143	997	542	—	—	287
Total other commitments	$ 64,618	$ 44,595	$ 7,769	$ 6,061	$ 2,510	$ 1,107	$ 2,576
Total commitments	$513,543	$388,913	$ 20,381	$ 57,489	$ 6,205	$ 31,088	$ 9,467

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

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

The credit facilities have an outstanding balance of $209,027 as of March 31, 2025. On March 17, 2025, the Company executed and delivered the first extension request to the lender of the corporate credit facility, extending the maturity date from March 31, 2025 to September 30, 2025. The Company will continue to pursue strategic sales of assets and refinancings to pay down the remaining outstanding balance prior to maturity, however the Company believes it will qualify for the second six-month extension made available by the lender. The Company has a twelve-month contractual extension option available for the Commonwealth credit facility within the existing agreement, which can be executed upon the satisfaction of certain performance metrics within the underlying portfolio of properties. The Company expects to achieve such metrics.

Mortgages payable are 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 primarily relate to the issuance of deferred shares under the Company's deferred share incentive plan, lease liability and security deposits received from tenant operators. The Company settles other non-current liabilities with cash available 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

There were no off-balance sheet items as of March 31, 2025.

Transactions Between Related Parties

The Company entered into subscription agreements in 2017, 2018 and 2019 in respect of the issuance of class A convertible preferred shares to certain funds managed by Magnetar Financial LLC (collectively, "Magnetar"), a significant shareholder of the Company (approximately 80% of common shares as of March 31, 2025), funded in multiple series. The purpose of the transaction was to raise proceeds to be used for the repayment of debt, general working capital purposes and to fund future acquisitions. The Company issued 9,098,598 preferred shares for aggregate gross proceeds of $86,050, which were converted, as described below.

On June 5, 2019, the Company formed a joint venture, Jaguarundi Ventures, LP, with Magnetar. The Company contributed 8 properties to a newly formed joint venture and received $23,000 from Magnetar in exchange for a 39.49% interest in the joint venture. As of April 1, 2022, Jaguarundi Ventures, LP has sold all properties owned by the joint venture.

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

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

On 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”) (note 17). 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:

Change in fair value of investment properties:

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

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

Impairment of 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.

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.

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.

Other:

Estimates are also made in the determination of the fair value of financial instruments 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.

Risks and Uncertainties

See "Risk Factors" in the Company's 2024 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, 2024 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 March 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 March 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 May 15, 2025, 914,074,393 common shares in the capital of the Company were issued and outstanding.

As of May 15, 2025, assuming the voluntary conversion of all of the Exchangeable Units, a total of 138,675 common shares would be issued.

As of May 15, 2025, assuming the voluntary conversion of all of the Commonwealth preferred units, a total of 6,010,872 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 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.

To the extent the Company's 2016 Convertible Debentures, 2018 Convertible Debentures and 2024 Debentures were dilutive to FFO per share, the related interest, amortization, and accretion expense has been added back to calculate a diluted FFO for purposes of calculating diluted FFO per share.

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

	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	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended June 30, 2023
Net income (loss) from continuing operations	$ (8,878)	$ (4,554)	$ (7,294)	$ (15,128)	$ (5,834)	$ (33,592)	$ 751	$ (46,256)
Add/(deduct):								
Change in fair value of investment properties	5,527	(1,606)	2,260	7,585	(4,092)	13,506	1,563	49,811
Property taxes accounted for under IFRIC 21	2,990	(843)	(1,999)	(1,609)	4,451	(2,310)	(1,423)	(5,371)
Depreciation expense	368	346	2,860	3,497	3,458	4,181	3,742	3,633
Amortization of tenant inducements	60	60	61	60	61	60	61	61
Accretion expense and amortization of non-cash adjustments to Convertible Debentures	—	1,925	2,645	2,383	2,148	1,939	6,024	775
Change in fair value of financial instruments	424	(4,185)	2,228	777	381	4,286	(11,962)	(9,475)
Transaction costs	135	1,403	20	42	276	(541)	673	655
Debt extinguishment costs	—	—	—	—	—	3,270	—	—
Loss (gain) on sale and acquisition of property, plant and equipment	—	875	(209)	(18)	(8)	(10)	—	—
Impairment of property, plant and equipment	10	985	280	454	1,376	5,147	3,636	—
Executive severance	—	—	—	3,060	—	—	—	—
Deferred income tax recovery	—	—	—	(716)	(889)	1,605	(958)	(959)
Allowance for expected credit losses	333	3,127	429	195	260	1,097	465	13,123
Property taxes accounted for under IFRIC 21	369	—	—	—	—	—	—	—
Change in non-controlling interest liability in respect of the above	(1)	7	(12)	(171)	2	(64)	(29)	(35)
FFO Adjustments for equity accounted entities	781	2,391	84	1,299	1,302	4,256	1,855	4
FFO from continuing operations	$ 2,118	$ (69)	$ 1,353	$ 1,710	$ 2,892	$ 2,830	$ 4,398	$ 5,966
FFO from discontinued operations	(66)	(147)	(272)	(286)	(388)	(860)	(175)	(142)
Total FFO	$ 2,052	$ (216)	$ 1,081	$ 1,424	$ 2,504	$ 1,970	$ 4,223	$ 5,824
Interest, amortization and accretion expense on dilutive convertible units	—	—	—	950	950	955	—	435
Total diluted FFO from continuing operations	$ 2,052	$ (216)	$ 1,081	$ 2,374	$ 3,454	$ 2,925	$ 4,223	$ 6,259

(1) As adjusted. See Selected 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 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; and
v. 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):

	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	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended June 30, 2023
Cash flows provided by (used in) operating activities	$ 197	$ 3,394	$ 5,336	$ (97)	$ 640	$ (2,193)	$ 4,704	$ 8,002
Change in non-cash working capital	2,482	(3,375)	(2,026)	(1,150)	3,514	3,115	(1,260)	(2,046)
Less: interest expense (1)	(7,530)	(7,928)	(9,785)	(9,809)	(10,597)	(9,500)	(9,313)	(9,893)
Less: change in non-controlling interest liability	(24)	(289)	(214)	(188)	(124)	(11)	(95)	(69)
Plus: income (loss) from joint ventures	(1,183)	(2,935)	(605)	(1,448)	(1,206)	(4,527)	(1,454)	1,872
Plus: interest paid	7,442	8,601	8,613	9,926	9,414	8,545	9,552	8,186
Less: interest received	(105)	(53)	(32)	46	(170)	(499)	(19)	(112)
Plus: debt extinguishment costs	—	995	—	—	(412)	3,387	(4)	366
Plus: realized loss (gain) on currency exchange	—	(71)	(2)	3	7	(14)	22	(24)
Plus: amortization of lease asset	10	(11)	(10)	(8)	36	(25)	(66)	(64)
Plus: current income tax expense	—	—	—	—	—	(110)	—	441
Plus: non-cash portion of non-controlling interest expense	—	7	(12)	(170)	14	(51)	(21)	(37)
Plus: AFFO adjustments for equity accounted entities	753	2,439	121	1,392	1,322	4,271	1,865	14
Plus: deferred share incentive plan compensation	2	(9)	(9)	(74)	15	(72)	(191)	(6)
Plus: executive severance	—	—	—	3,060	—	—	—	—
Plus: interest savings from debenture extinguishment	—	1,151	—	—	—	—	—	—
Plus: property taxes accounted for under IFRIC 21	369	—	—	—	—	—	—	—
Less: capital maintenance reserve (2)	(198)	(372)	(372)	(372)	(372)	(703)	(703)	(703)
AFFO	$ 2,215	$ 1,554	$ 1,003	$ 1,111	$ 2,081	$ 1,613	$ 3,017	$ 5,927
AFFO from discontinued operations	(66)	(126)	(230)	(245)	(346)	(815)	(130)	(97)
AFFO from continuing operations	2,281	1,680	1,233	1,356	2,427	2,428	3,147	6,024
Interest expense on dilutive convertible units	—	—	—	—	950	955	—	435
Total diluted AFFO	$ 2,215	$ 1,554	$ 1,003	$ 1,111	$ 3,031	$ 2,568	$ 3,017	$ 6,362

(1) Includes interest expense on the credit facilities, mortgages payable, convertible 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.

Operational Measures

Triple-Net Lease Portfolio ("NNN") and Autumnwood Preferred Return

The Company's triple-net lease portfolio for the period ended March 31, 2025, consisted of 16 seniors housing and care properties which are leased to operators on a long-term, triple-net basis. Under a triple-net lease structure, the tenant operators assume the operational risks and expenses associated with operating the facility. The Company's triple-net leased portfolio as of March 31, 2025 had an average lease term to maturity, excluding renewal options, of approximately 8.6 years.

The Company's Autumnwood portfolio for the period ended March 31, 2025, consisted of four senior living assets in Canada. The Company maintains an interest in a proportionate and preferred return share of the landlords' lease receipts.

The table below displays the Company's contractual tenant rental revenue from continuing operations for the twelve months ended March 31, 2025 and 2024.

	Contractual Rental Revenue, 12 months ended March 31, 2025(1)	% of Total Contractual Rental Revenue	Contractual Rental Revenue, 12 months ended March 31, 2024 (1)	% of Total Contractual Rental Revenue
Constant Care Management Company	$ 6,937	39.0 %	$ 6,517	21.0 %
Cascade Capital Group	3,620	20.4 %	4,940	15.9 %
Autumnwood Mature Lifestyle Communities (2)	3,437	19.3 %	3,544	11.4 %
Hearth Management	2,037	11.5 %	3,697	11.9 %
Other	1,749	9.8 %	12,377	39.8 %
Total	$ 17,780	100.0 %	$ 31,075	100.0 %

(1) Represents contractual rental revenue for the respective time period.

(2) Represents contractual preferred rental revenue.

The table below displays the Company's contractual forward twelve months rental revenue from continuing operations for the period commencing April 1, 2025.

	Contractual Rent, forward twelve months for the period beginning April 1, 2025	% of Total Contractual Rental Revenue
Constant Care Management Company	$ 7,077	44.5 %
Autumnwood Mature Lifestyle Communities	3,558	22.4 %
Cascade Capital Group	2,805	17.6 %
Hearth Management (1)	1,336	8.4 %
ARK Post Acute	1,133	7.1 %
Total	$ 15,909	100.0 %

(1) Does not include the investment property sold on April 9, 2025. The remaining assets in this portfolio are under contract to sell.

NOI by Operating Segment

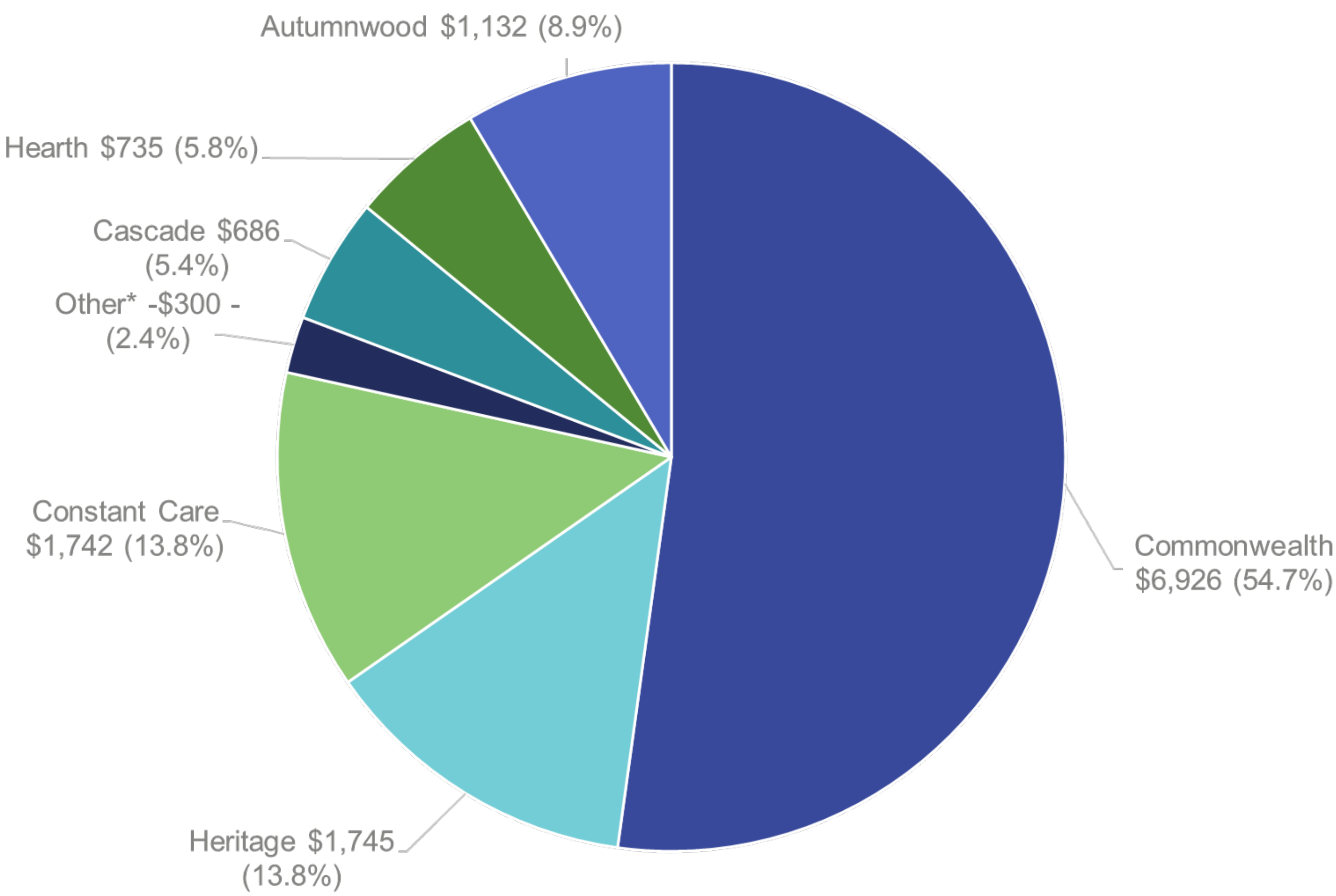
The tables below are presented at the Company's proportionate share and display trailing three months NOI to the Company from its seniors housing operating properties ("SHOP"), triple-net lease and medical office building portfolios for the periods ended March 31, 2025 and 2024.

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	NOI	% of Total	NOI	% of Total
SHOP	$ 9,715	76.7 %	$ 8,959	52.3 %
NNN [1]	2,918	23.0 %	8,354	48.7 %
MOB (Discontinued operations)	33	0.3 %	(170)	(1.0)%
	$ 12,666	100.0 %	$ 17,143	100.0 %

(1) Includes Saber (sold February 2024) and Providence Group (sold March 2024) portfolios.

NOI by Operator

The chart below displays the trailing three months NOIs as of March 31, 2025, from the Company's SHOP portfolios, triple-net lease portfolios and Autumnwood preferred return, by operator.



*Includes Chapters, Health Dimensions Group and Traditions Senior Management portfolios.

Reconciliation of Net Operating Income to Net Income

The tables below are presented to reconcile the Company's proportionate share of NOI to Net Income, which represents the nearest measure defined by IFRS.

	Three months ended March 31, 2025					
	NNN	SHOP	Medical office buildings (discontinued operations)	Total operations	Corporate/ Other	Total
Net income (loss)	$ (8,686)	$ 1,137	$ (65)	$ (7,614)	$ (1,329)	$ (8,943)
Change in fair value of investment properties	8,460	—	(7)	8,453	—	8,453
Depreciation expense	—	443	—	443	(29)	414
Amortization expense and debt extinguishment costs	(213)	195	—	(18)	19	1
Amortization of tenant inducements	61	—	7	68	—	68
Change in fair value of financial instruments	613	154	—	767	—	767
Transaction costs	—	50	—	50	84	134
Changes in non-controlling interest liability	(1)	—	—	(1)	—	(1)
Straight-line rent	(117)	—	—	(117)	—	(117)
DSU compensation	—	—	—	—	2	2
Finance cost from operations, net	2,502	7,242	98	9,842	666	10,508
Property taxes accounted for under IFRIC 21	—	369	—	369	—	369
Finance costs from operations from equity accounted entities	—	(398)	—	(398)	—	(398)
Non-cash adjustment for equity accounted entities	299	523	—	822	—	822
Net operating income (loss)	$ 2,918	$ 9,715	$ 33	$ 12,666	$ (587)	$ 12,079

	Three months ended March 31, 2024					
	NNN	SHOP	Medical office buildings (discontinued operations)	Total operations	Corporate/ Other	Total
Net income (loss)	$ 3,485	$ (5,384)	$ (410)	$ (2,309)	$ (3,935)	$ (6,244)
Change in fair value of investment properties	359	—	13	372	—	372
Depreciation expense	—	3,527	—	3,527	(23)	3,504
Amortization expense and debt extinguishment costs	695	236	42	973	1,483	2,456
Amortization of tenant inducements	61	—	3	64	—	64
Change in fair value of financial instruments	(88)	2,440	—	2,352	(335)	2,017
Transaction costs	390	(8)	—	382	(115)	267
Changes in non-controlling interest liability	(22)	24	—	2	—	2
Straight-line rent	(451)	—	—	(451)	—	(451)
DSU compensation	—	—	—	—	15	15
Finance cost from operations, net	3,912	5,321	175	9,408	1,385	10,793
Foreign currency exchange loss	—	—	7	7	—	7
Income tax expense (recovery)	—	—	—	—	(889)	(889)
Finance costs from operations from equity accounted entities	—	1,483	—	1,483	—	1,483
Non-cash adjustment for equity accounted entities	13	1,320	—	1,333	—	1,333
Net operating income (loss)	$ 8,354	$ 8,959	$ (170)	$ 17,143	$ (2,414)	$ 14,729