

# **INVESQUE INC.**

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

**March 19, 2026**

## **Basis of presentation**

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

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

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

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

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

## **Forward-looking disclaimer**

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

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

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

## Business Overview

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

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

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

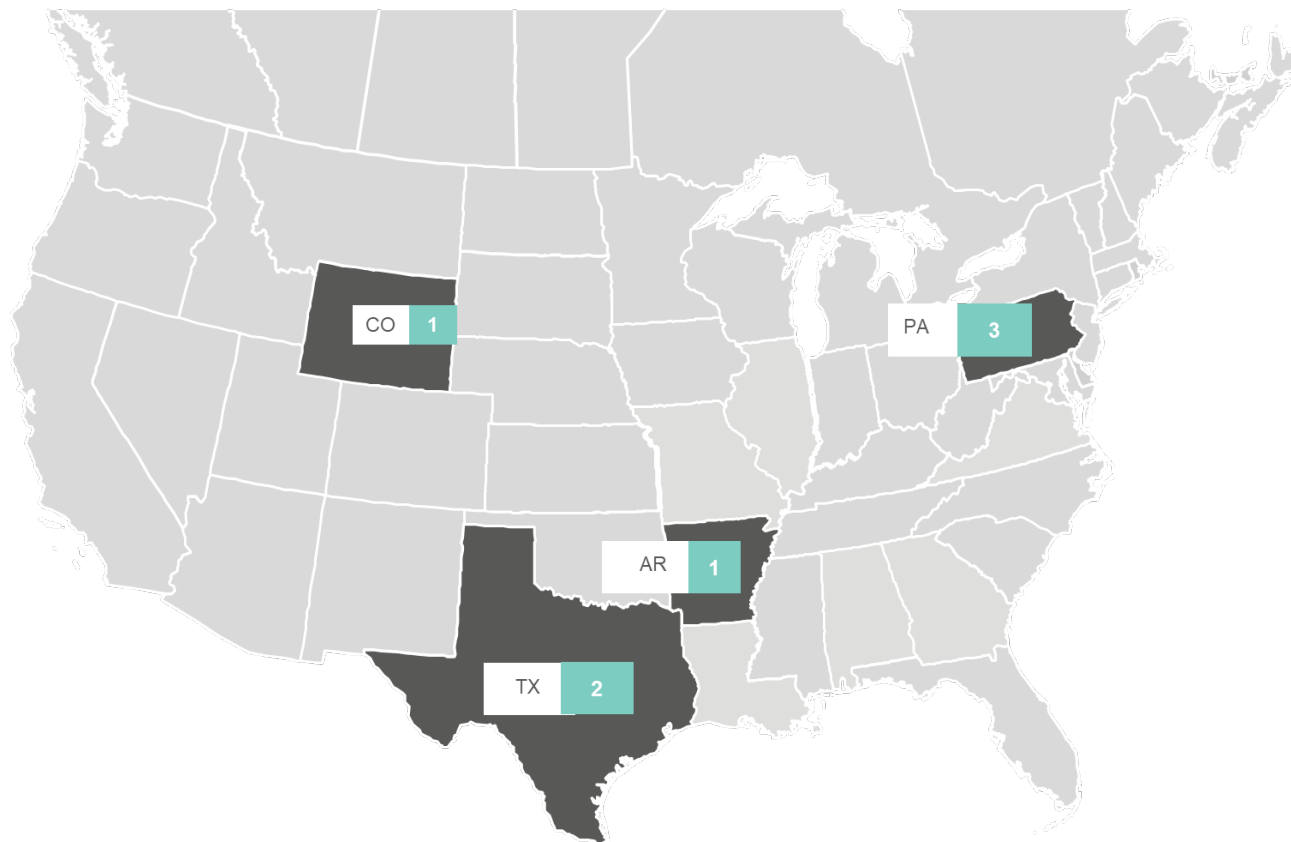
- **Independent Living ("IL") Communities:** IL communities are the least medically-intensive type of seniors housing and care properties. Unlike AL (defined below) communities and higher acuity skilled-nursing communities, IL communities generally do not offer nursing, rehabilitative care or therapy services and typically do not provide assistance with daily living activities. Rather, IL communities are designed as a seniors housing and care option for those who are able to perform their own basic activities of daily living and need little or no medical assistance. IL communities come in many forms ranging from age-restricted apartment communities to villa homes which are on a retirement village campus or part of a continuing care retirement community. IL communities in North America are generally unregulated and unlicensed, with some exceptions for IL communities providing more extensive care services. Most IL communities receive revenue through private pay sources, such as residents paying directly out of pocket and private insurance, rather than government sources.
- **Assisted Living ("AL") and Memory Care ("MC") Communities:** AL and MC communities play a key role in the continuum of seniors housing and care, as they bridge the gap between IL communities and higher acuity skilled-nursing communities. AL communities provide relatively independent elderly persons with typical amenities associated with less medically-intensive seniors housing and care as well as assistance with activities of daily living and some healthcare services. Services provided at AL communities typically include 24-hour care for resident protection, an emergency response system, supervision for persons with disabilities, housekeeping, maintenance and transportation. MC communities are substantially similar to AL communities because they also focus on elderly persons who need assistance with activities of daily living and healthcare services but differ from AL communities because MC residents need to be cared for in a secured environment to prevent seniors from leaving the community in a confused state. AL and MC communities in the United States are typically licensed and regulated by state and local governments rather than the federal government. In Canada, AL communities are licensed or certified and regulated in most jurisdictions. Licensure for MC communities is generally identical to AL licensure except for specific building requirements including locked exterior doors secured by keys or an access code. AL and MC communities receive most of their revenues through private pay sources and may also receive revenue from third-party pay sources, including federal, state and provincial governments.

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

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

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

7 Properties      ~ 650 Beds



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

### Liquidity Assessment

Liquidity risk is the risk that an entity is unable to fund its assets or meet its financial obligations as they come due. Liquidity risk is managed in part through cash flow forecasting by the Company. While there are uncertainties in assessing future liquidity requirements under normal operating conditions, interest rates and cost inflation have introduced increased uncertainty. The Company monitors forecasts of liquidity requirements to ensure it has the ability to meet operational needs by maintaining sufficient availability of the combination of cash on hand and debt capacity, and to ensure the Company will meet its financial covenants related to mortgages affiliated with wholly-owned assets and mortgages held within investments in joint ventures accounted for under the equity method. Such forecasting involves judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, where applicable, and covenant compliance required under the terms of various mortgage agreements. There is a risk that such liquidity forecasts may not be achieved and that currently available debt financing that matures in the next 12 months may no longer be available to the Company at terms and conditions that are forecasted, or at all.

The Company believes that it will have sufficient available cash on hand to meet its minimum obligations as they come due and to comply with required financial covenants for a period of at least 12 months from December 31, 2025, which may include waivers, cures or other paths for resolution, if necessary. In making this judgment, the Company has prepared a cash flow forecast and mortgage covenant projections with the most significant assumptions in the preparation of such forecast being the ability of properties' underlying operations to generate sufficient cash flows assets and continued

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

### **Go-Forward Disposition Strategy**

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

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

### **Recent Activities**

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

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

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

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

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

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

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

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

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

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

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

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

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

## Selected Financial Information

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

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

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

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

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

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

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

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

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

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

## Results of Operations - Three Months and Years Ended December 31, 2025 and 2024

(unless otherwise stated, amounts are in thousands of U.S. dollars)

### Revenue from continuing operations

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

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

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

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

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

### Other income from continuing operations

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

### ***Direct property operating expenses from continuing operations***

Direct property operating expenses consist of the following:

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

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

### ***Depreciation expense from continuing operations***

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

### ***Net finance costs from continuing operations***

Net finance costs from operations consist of the following:

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

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

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

### ***Interest income from loans receivable from continuing operations***

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

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

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

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

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

### ***General and administrative expenses from continuing operations***

General and administrative expenses consist of the following:

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

(1) Defined below.

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

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

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

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

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

### ***Allowance for expected credit losses from continuing operations***

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

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

***Change in non-controlling interest liability***

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

***Change in fair value of investment properties from continuing operations***

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

***Impairment of property, plant and equipment from continuing operations***

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

***Change in fair value of financial instruments from continuing operations***

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

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

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

***Share of net losses from joint ventures***

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

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

***Income tax expense (recovery) from continuing operations***

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

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

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

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

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

### ***Cash Flow Analysis***

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

#### ***Cash Provided by (Used in) Operating Activities***

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

#### ***Cash Used in Financing Activities***

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

#### ***Cash Provided by Investing Activities***

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

### **Financial Position**

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

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

## Summary of Quarterly Results

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

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

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

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

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

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

## **Liquidity and Capital Resources**

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

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

The Company expects to meet its working capital requirements with respect to accounts payable and accrued liabilities through cash on hand and operating cash flows moving forward. As at December 31, 2025, current liabilities totaled \$3,310, and current assets totaled \$43,578, resulting in a working capital surplus of \$40,268 (December 31, 2024 - \$412,489, \$352,852 and \$59,637 deficit, respectively).

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

In addition, liquidity risk is managed in part through cash forecasting. The Company monitors forecasts of liquidity requirements to ensure it has the ability to meet operational needs by maintaining sufficient availability of the combination of cash and debt capacity, and to ensure the Company will meet its financial covenants related to mortgage agreements. Such forecasting involves a significant degree of judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, and covenant compliance required under the terms of various mortgage agreements. There is a risk that such liquidity forecasts may not be achieved and that currently available debt financing that matures in the next 12 months may no longer be available to the Company at terms and conditions that are forecasted, or at all.

The Company, while considering externally imposed capital requirements, sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In managing its capital structure, the Company monitors performance throughout the year to ensure working capital requirements are funded from operations, available cash on deposit, and available financing. The Company may make changes to its capital structure to support the broader corporate strategy or in response to economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue equity or new debt, issue new debt with different characteristics to replace existing debt or strategically use cash available from sale transactions to reduce the amount of existing debt or settle higher interest-bearing debt to reduce risk of the Company's debt profile. In January 2026, the Company used cash on hand to fully settle the \$27,300 of debentures outstanding prior to the maturity date.

## **Debt Strategy and Indebtedness**

### *Debt Strategy*

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

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

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

### Indebtedness

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

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

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

### Joint Venture Indebtedness

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

### 2024 Debentures

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

### Debt Covenant Compliance

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

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

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

### Repayment Summary

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

### Contractual Commitments

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

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

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

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

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

## **Financial Instruments and Other Instruments**

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

## **Off-Balance Sheet Items**

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

## Transactions Between Related Parties

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

On November 26, 2024, the Company announced the approval of holders of Common Shares of the exchange of certain funds (the “Exchanging Magnetar Funds”) managed by Magnetar Financial LLC (“Magnetar”) whereby Magnetar agreed to exchange class A convertible preferred shares previously issued by the Company for 716,875,000 common shares of the Company (the “Preferred Share Exchange”). The effective date of the exchange was December 30, 2024. Based on the number of Common Shares outstanding as of the date hereof, following the convertible debenture amendments and the Preferred Share Exchange, Magnetar and the Exchanging Magnetar Funds own and hold over approximately 80% of the Common Shares.

## Critical Accounting Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses throughout the period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment within the next financial year are as follows:

### *Liquidity assessment:*

The Company monitors forecasts of liquidity requirements to ensure it has the ability to meet operational needs by maintaining sufficient availability of the combination of cash and debt capacity, and to ensure the Company will meet its financial covenants related to various debt agreements. Such forecasting involves a significant degree of judgment which takes into consideration current and projected macroeconomic conditions, the Company's cash collection efforts, debt financing and refinancing plans, successful closing of asset dispositions in the timeframe contemplated by management, and covenant compliance required under the terms of various debt agreements. There is a risk that such liquidity forecasts may not be achieved and that currently available debt financing that matures in the next 12 months may no longer be available to the Company at terms and conditions that are forecasted, or at all.

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

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

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

### *Impairment of loans receivable and property taxes receivable:*

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

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

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

### *Impairment of property, plant and equipment:*

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

## **Risks and Uncertainties**

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

## **Controls and Procedures**

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

### *Disclosure Controls and Procedures*

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

### *Internal Controls Over Financial Reporting*

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

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

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

### **Outstanding Shares**

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

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

## Financial Measures

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

### *Funds From Operations*

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

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

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

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

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

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

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

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

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

### *Adjusted Funds From Operations*

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

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

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

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

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

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

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

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

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

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