



INVESQUE INC.
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2025
March 19, 2026

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CERTAIN REFERENCES, FORWARD-LOOKING STATEMENTS, MARKET AND INDUSTRY DATA

Unless otherwise indicated, information provided in this Annual Information Form is presented as of December 31, 2025. For an explanation of the capitalized terms and expressions used in this Annual Information Form, please refer to the “*Glossary of Terms*”. Unless otherwise indicated or the context requires otherwise, the “Corporation” or a reference to “we” and “our” refers to Invesque Inc. and its direct or indirect subsidiaries. With respect to dollar amounts referenced herein, “\$” refers to United States currency and “CAD\$” refers to Canadian currency.

This Annual Information Form contains “forward-looking information” as defined under Canadian securities laws (collectively, “forward-looking statements”), which reflects the current expectations of our management (“Management”) and directors (“Directors”) about our future results, performance, achievements, prospects, goals, and opportunities. Wherever possible, the words “may,” “will,” “estimate,” “expect,” “anticipate,” “believe,” “continue,” “intend,” and similar variations or expressions of such words are used to identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Statements containing forward-looking information are not historical facts but instead represent Management’s expectations, estimates, and projections regarding future events or circumstances. In particular, certain statements in this Annual Information Form discuss our anticipated outlook of future events, which include, but are not limited to, statements with respect to:

- the ability of the Corporation to execute its strategies;
- the ability of our disposition strategy to maximize value;
- the Corporation’s competitive position within its industry;
- any expectations regarding laws, rules and regulations applicable to the Corporation;
- any projections of our financial performance for the periods set forth herein;
- the expected tax treatment of our dividends to Shareholders; and
- the expected seniors housing and health care industry and demographic trends.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, although deemed reasonable by Management as of the date of this Annual Information Form, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. These estimates and assumptions, which may prove to be incorrect, consist of the various assumptions set forth herein, including, but not limited to, future growth potential, operational results, future prospects and opportunities, demographic and industry trends remaining unchanged, future levels of indebtedness, the tax laws currently in effect, and current economic conditions remaining unchanged.

When relying on forward-looking statements to make decisions, readers are cautioned not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results and do not necessarily constitute accurate indications that such performance or results will be achieved at the times prescribed herein. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors described and discussed under “*Risk Factors*”. Although Management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not presently known that Management believes are not material but that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

These forward-looking statements are made as of the date of this Annual Information Form and, except as expressly provided by applicable securities law, Management assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. All forward-looking statements in this Annual Information Form are qualified by these cautionary statements.

This Annual Information Form includes certain market and industry data and forecasts obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by Management on the basis of its knowledge of the industry in which we operate (including Management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the health care real estate industry has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although Management believes it to be reliable, we have not independently verified any of the data from Management or third-party sources referred to in this Annual Information Form or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

NON-IFRS MEASURES

We report our financial results in accordance with IFRS. Included in this Annual Information Form are certain non-IFRS financial measures such as AFFO, as supplemental indicators used by Management to track our performance.

“**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 flows 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 our deferred share incentive plan; (v) add backs for payments received under our income support agreements and development lease arrangements; (vi) add backs for the write-off of deferred financing costs from refinancing; and (vii) other adjustments as determined by the Directors in their sole discretion.

In addition to complying the explicit guidance on the calculation of AFFO provided by the Real Property Association of Canada (REALPAC), we consider the following amounts in the calculation to more accurately measure the performance of our 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.

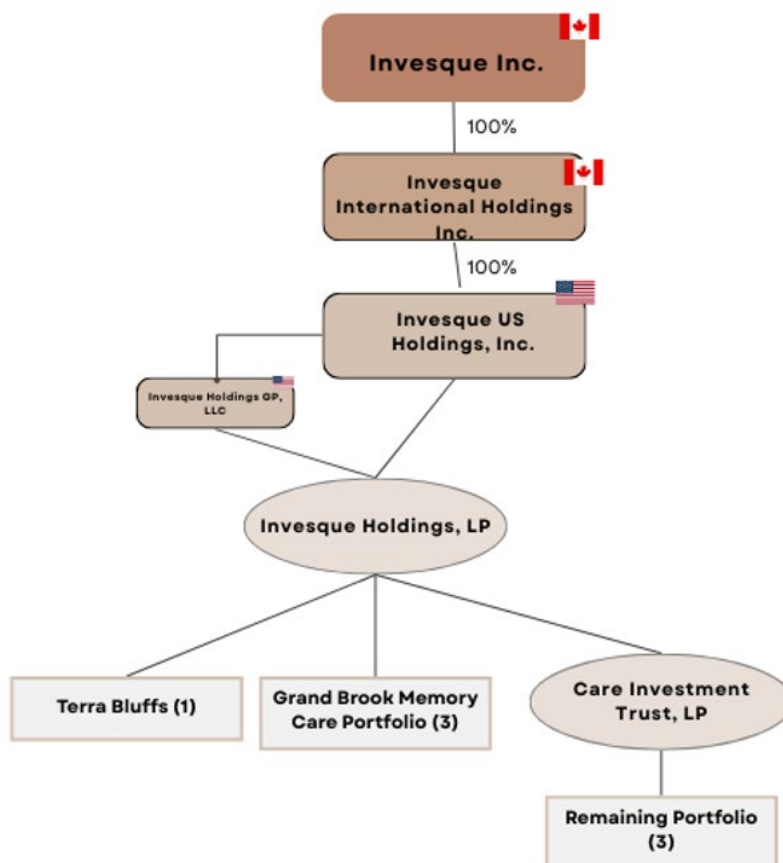
AFFO is a financial measure not defined under IFRS, and AFFO, as presented herein, may not be comparable to similar measures presented by other real estate investment trusts or real estate enterprises.

To the extent our 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.

AFFO is a supplemental measure used by Management to track our performance as management believes AFFO reflects our operating performance and cash flows. We believe that AFFO per share provide the most effective metric by which to evaluate our performance and to most accurately identify cash flows available for distribution to Shareholders see (“*Risk Factors*”) and (“*Dividend Policy*”).

INVESQUE INC.

We are a corporation continued under the BCBCA. Our registered office is located at Suite 1200, 200 Burrard Street, Vancouver, BC, V7X 1T2 and our head office is located at 8701 E. 116th Street, Suite 260 Fishers, Indiana, USA. The following chart shows the names of our material subsidiaries, as of the date of this Annual Information Form:



Early Events

We began operations in 2008 as “Kingsway Arms Retirement Residences Inc.” when we completed a qualifying transaction (as defined in the policies of the TSXV).

On April 4, 2016, we completed a reverse takeover transaction pursuant to which we issued approximately 80% of its issued and outstanding shares to Mainstreet Investment Company, LLC and continued operations under the name “Mainstreet Health Investments Inc.”

On June 2, 2016, we completed the Consolidation.

Preferred Shares

On December 21, 2017, we amended our articles to provide for the Series 1 Preferred Share terms. On February 8, 2018, we amended our articles to provide for the Series 2 Preferred Share terms. On March 28, 2018, we amended our articles to provide for the Series 3 Preferred Share terms. On August 23, 2019, we amended our articles to provide for the Series 4 Preferred Share terms.

Name Change and Rebranding

On January 3, 2018, we changed our name to Invesque Inc. and our Common Shares commenced trading on the TSX under the symbol “IVQ” in February of 2018.

GENERAL DEVELOPMENT OF OUR BUSINESS

The following provides a summary of how our business has developed over the last three years.

Convertible Debentures

The 2026 Debentures

On August 24, 2018, we completed an offering of subordinated convertible debentures, in the aggregate principal amount of approximately \$50.0 Million and initially due September 30, 2023. On May 23, 2023, we announced an amendment (“2023 Amendment”) to such debentures which included changing the interest rate to 8.75% effective September 30, 2023, decreasing the conversion price to \$2.75, extending the maturity date of such debentures to September 30, 2026 and partial redemption of \$22.0 Million of such debentures (such debentures, as amended, the “2026 Debentures”). On September 26, 2023, we announced an additional amendment (“Additional 2023 Amendment”), the terms of which included changing the date of the redemption date to October 5, 2023, reducing the amount of the partial redemption to \$4.8 Million, and decreasing the conversion price to \$1.10. The Additional 2023 Amendment also included a covenant that we shall not make any cash repayment or redemption of principal on the 2025 Debentures unless, prior to or contemporaneously with, such cash repayment or redemption, we redeem or repay for cash an equal principal amount of the 2026 Debentures. The Additional 2023 Amendment also included a covenant that we shall not issue (i) a new class or series of unsecured convertible debentures unless the maturity date for such debentures is at least 18 months after September 30, 2026 or (ii) senior notes in exchange for, or to fund the cash repayment of, all or a portion of the 2025 Debentures.

Debenture Exchange – 2027 Debentures

On November 26, 2024, upon receiving approval of the holders of the 2025 Debentures, we amended the indenture governing the 2025 Debentures, to, among other things, add a covenant that the outstanding principal amount of the 2025 Debentures, plus interest accrued and unpaid thereon, will be exchanged for a pro rata interest of: (1) 2027 Debentures in an aggregate principal amount of US\$9,938,000; and (2) 52,306,874 Common Shares on a price per Common Share of US\$0.16.

On November 26, 2024, upon receiving approval of the holders of the 2026 Debentures, we amended the indenture governing the 2026 Debentures, to, among other things, add a covenant that the outstanding principal amount of the 2026 Debentures, plus interest accrued and unpaid thereon, will be exchanged, for a pro rata interest of: (1) 2027 Debentures in an aggregate principal amount of US\$17,362,000; and (2) 88,210,068 Common Shares on a price per Common Share of US\$0.16.

Debenture Repayment.

On December 24, 2025, we provided formal notice of redemption of the 2027 Debentures. All \$27.3 million of the issued and outstanding 2027 Debentures were fully redeemed on January 23, 2026.

Preferred Shares Exchange

In connection with the debenture exchange, we entered into an exchange agreement with the Funds pursuant to which the Funds exchanged their Preferred Shares for 716,875,000 Common Shares (the “Preferred Share Exchange”) on a price per Common Share of US\$0.16 on December 30, 2024. Following this transaction, 80% of our Common Shares were controlled by the Funds Manager. There are no longer any Preferred Shares issued and outstanding.

Investor Rights Agreement

We entered into an investor rights agreement with the Funds Manager and the Funds on December 30, 2024 (the "IRA"), providing, among other things, the following rights of the Funds Manager and the Funds: (i) board nomination rights in respect of a certain number of directors (based on the size of our board and the securityholder percentage of the Funds Manager and the Funds at the relevant times), (ii) customary pre-emptive rights with respect to our equity securities, and (iii) approval and consent rights in respect of certain actions. The IRA also provides for certain standstill restrictions on the Funds Manager and the Funds until March 31, 2025. On the same day, we amended and restated the existing registration rights agreement dated December 22, 2017 (the "A&R RRA") entered into with certain of the Funds, which provides for customary demand and piggyback registration rights and private placement support for the Funds.

Copies of the Exchange Agreement, the IRA and the A&R RRA are available on our profile on SEDAR+ at www.sedarplus.ca.

Go-Forward Disposition Strategy

In July of 2023 we received a reservation of rights from KeyBank Financial ("KeyBank") as it related to a potential default under our largest credit facility. In-depth negotiations with KeyBank resulted in a waiver and subsequent restatement of the credit agreement governing such facility that required us to take a more aggressive approach to debt repayment. This fact, coupled with lingering effects of COVID-19 on our business as well as rising interest costs during that period prompted our Board to change our go-forward strategy to concentrate on the strategic divestiture of our assets.

As a large portion of our assets have reached operating stabilization, Management determined that our best plan would be to strategically dispose of assets that are expected to achieve the best valuations in the market. On June 18, 2025, at the annual general and special meeting of the Shareholders, Shareholders approved a resolution to approve the sale or lease of all or substantially all of the assets of the Company in one or more transactions. This resolution permits us to sell all or substantially all of our assets at the discretion of our board. Management determined that the sale of assets through a flexible and controlled sale process has allowed us to maximize value to the Shareholders and other stakeholders, in lieu of a liquidation process that would likely have risked the ability to get fair value for our assets.

Over the past three years, we have acquired or opened for operations two properties and divested 77 properties. The net cash proceeds from completed dispositions have been largely applied to the repayment of mortgages associated with the properties being sold with the balance being applied towards the repayment of the KeyBank facility. Following our divestiture strategy, the KeyBank facility was fully repaid in August of 2025.

The following tables set out a summary of our acquisition and disposition activity.

Property	Property Type	Transaction Type	Price (\$)
Year Ended December 31, 2023			
MetroWest Medical Centre	Medical office building	Disposition	6.4 Million
Carrollton, TX Community ⁽¹⁾	Seniors Housing	Acquisition	2.3 Million
Symphony SNF Portfolio	Skilled nursing	Disposition	121 Million
Terra Bluffs ⁽²⁾	Seniors housing	Start of operations	-
Phoenix Senior Living Portfolio	Seniors housing	Disposition	25.1 Million
Year Ended December 31, 2024			
Summerville, SC Community	Seniors housing	Disposition	4.0 Million
Saber SNF Portfolio	Skilled nursing	Disposition	11.4 Million
Providence SNF Portfolio	Skilled nursing	Disposition	55.5 Million
Vacant Land, GA	Vacant Land	Disposition	0.3 Million
Glendale, WI	Skilled nursing	Disposition	5.0 Million
Buffalo, NY	Medical office building	Disposition	2.5 Million
Chicago, IL	Skilled nursing	Disposition	16.5 Million
Mid-Atlantic Portfolio	Seniors Housing	Disposition	65.4 Million

Property	Property Type	Transaction Type	Price (\$)
Year Ended December 31, 2025			
Syracuse, NY	Seniors Housing	Disposition	25.1 Million
CSL Portfolio ⁽³⁾	Seniors Housing	Disposition	309.0 Million
Syracuse, NY	Seniors Housing	Disposition	5.8 Million
Constant Care Management Portfolio	Seniors Housing	Disposition	83.2 Million
Chicago, IL	Skilled Nursing	Disposition	23.7 Million
Zachary, LA	Seniors Housing	Disposition	9.3 Million
Syracuse, NY	Seniors Housing	Disposition	5.0 Million
Chesapeake, VA	Seniors Housing	Disposition	6.6 Million
Heritage Senior Living Portfolio	Seniors Housing	Disposition	57.0 Million
Camillus, NY	Medical office building	Disposition	4.1 Million
Autumnwood Mature Lifestyles Portfolio	Seniors Housing	Disposition	CAD31.0 Million

Notes:

- (1) Prior to acquisition, we obtained a first mortgage on the community through a HUD Note Sale Auction on December 5, 2022.
- (2) We received final licensure approval for operations on October 27, 2023. Day-to-day operations are managed by Health Dimensions Group. The property is owned pursuant to a joint venture with the property developer and Health Dimensions Group.
- (3) The sale of this portfolio resulted in the settlement of the Commonwealth credit facility, all underlying mortgages and the Commonwealth preferred unit liability. Following this transaction Commonwealth ceased to manage any of our properties.

DESCRIPTION OF THE BUSINESS**Overview**

The Corporation is a North American health care real estate company with a portfolio of health care properties located in the United States operated by best-in-class health care managers primarily under joint venture or operating/management agreements. The Corporation currently invests in and owns, indirectly through its holding subsidiaries, a portfolio of seven seniors housing communities located in the states of Arkansas, Colorado, Pennsylvania and Texas.

The Corporation owns the land and buildings and partners with experienced operators to oversee the day-to-day management of the properties, including delivery of all care services and maintenance of the assets.

Management believes that certain characteristics of the North American seniors housing and care industry, including favorable demographic trends, increasing demand with a stagnant supply of new facilities, and the shift from high-cost hospitals for post-acute care to lower-cost settings, provide for a unique investment opportunity. Management also believes that, as a result of the high quality of our remaining properties, and its relationships with reputable operators and industry participants, we are well-positioned to succeed in the industry by capitalizing on these market opportunities.

Our Management is an experienced team of professionals with diverse backgrounds in the acquisition, management, divestiture, development, and financing of income-producing health care real estate.

Competitive Conditions

Management believes that with our leaner size and reduced debt levels we are better able to capitalize on favorable industry dynamics and trends. Seniors housing and care enjoys generally stable, predictable revenues and has historically been largely insulated from economic cycles as a result of a number of factors, including (a) the demand for seniors housing being need driven rather than discretionary, (b) occupancies remaining consistent over time, and (c) facilities receiving revenue through government funding. Additionally, regulatory requirements in many jurisdictions often make it difficult to acquire or develop new seniors housing and care properties. There are also many operational barriers to entry as a high degree of experience is required to own and operate seniors housing and care facilities, particularly as the acuity level of care delivered increases, and the capital requirements in connection with the acquisition or development of a facility can be sizeable. The seniors housing and care industry in the United States is also very fragmented, with many facilities owned by local or regional groups.

Employees

As of December 31, 2025, the Corporation had eleven employees, which perform certain accounting, finance, portfolio and asset management, legal and other supporting functions.

Foreign Operations

All of our properties are located in the United States. See “*Real Estate Portfolio*” for further detail.

Characteristics of North American Seniors Housing and Care Industry

Spectrum of Care

Seniors housing and care properties in North America provide the full spectrum of care ranging from low to high acuity, as explained below. Low-acuity care facilities consist of independent living and assisted living communities. High-acuity care facilities consist of skilled nursing facilities and long-term care facilities. The level of state/provincial and federal regulatory oversight and control varies among the different seniors housing and care facility types, including the nature of health care services provided, the acuity setting, and whether the food, housing and care provided is paid for by the resident or through a government program. The term “seniors” generally refers to the category of people who are 65 years of age and older. As of the date of this AIF we do not own any high-acuity properties.

- **Independent Living (IL) Communities:** IL communities are the least medically-intensive type of seniors housing and care properties. Unlike AL communities and SNFs/LTCs, IL communities generally do not commonly 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/LTCs. 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 health care 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 health care 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.

Industry Dynamics

Management believes that we benefit from a number of favorable industry dynamics and trends, including:

- **Revenue Stability:** The seniors housing and care industry enjoys stable, predictable revenues and has historically been largely insulated from economic cycles as a result of a number of factors:
 - **Need-Driven Services:** Demand for seniors housing and care, in both low and high-acuity care settings, is driven by housing and care requirements. These requirements are not typically discretionary, and, as a result, demand is generally not correlated to macroeconomic trends

and cycles. For instance, according to the National Clearinghouse for Long Term Care Information, about 70% of people over age 65 in the United States will require some type of senior care services during their lifetime, and more than 40% will need care in a high-acuity facility (such as a SNF).

- **Stable Occupancy:** Prior to the COVID-19 pandemic, historical occupancies of seniors housing and care properties had remained consistently strong. According to the National Investment Center for Seniors Housing and Care, from 2012 to 2019, average occupancy rates for majority IL and AL communities ranged from 87% to 91%. Following a decrease in occupancy in 2020 and 2021, occupancy in majority IL and AL communities has been steadily increasing. As of the fourth quarter of 2025, seniors housing occupancy in primary United States markets was 89.1%. Many owners and operators of seniors housing and care assets believe that occupancy will continue to rebound in the coming years.
- **Favorable Funding Sources:** Seniors housing and care properties generate their revenues from government funding, insurance companies and private/individual income.
- **Barriers to Entry:** Regulatory requirements in many jurisdictions often make it challenging to develop new seniors housing and care properties, which has led to an increased imbalance between supply and demand. Furthermore, the equity capital required to fund expenses in connection with a proposed development is sizeable, often requiring numerous investors and partners. There are also many operational barriers to entry, as a high degree of experience and operating expertise is required, particularly as the acuity level increases.
 - In the United States, many states directly regulate the development and construction of seniors housing and care properties and impose various licensing requirements, including Certificate of Need (CON) licenses and laws. Such certifications and licenses, if required, can be difficult to obtain. Furthermore, federal and state regulatory licenses are required for a property to be eligible for Medicaid and Medicare reimbursement by federal and state authorities.
- **Supply and Demand Imbalance:** A current imbalance exists in the United States between industry supply and demand in the aggregate. Significant amounts of new construction of IL and AL communities will be needed in underserved markets in order to meet existing demand along with additional demand due to projected increases in the senior population. According to the National Investment Center for the Senior Housing and Care Industry, \$400 Billion in new construction, over and above existing supply, will be needed by 2030 to meet future demand for seniors housing and care properties, and only 40% of this investment is currently on-pace to be fulfilled.

Demand Drivers

As described above in “*Characteristics of North American Seniors Housing and Care – Industry Dynamics*,” there are many characteristics of the seniors housing and care industry that have led to significant demand. Management believes the following are some of the more significant factors contributing to this demand.

- **Ageing Population:** The number of seniors, both as an absolute total and as a percentage of the total population, is increasing dramatically, which is expected to substantially increase demand for seniors housing and care properties in the medium to long-term.
 - According to the United States Census Bureau, the United States senior population is expected to grow from 40.2 Million to 54.8 Million representing a CAGR of 3.1% between 2010 and 2020 and is expected to reach 72.1 Million by 2030. Although the United States population is expected to grow at a CAGR of approximately 1.0% between 2010 and 2050, the United States senior population is expected to grow at a CAGR of 2.0% over the same period. Further, the United States senior population that is 85 years and older is expected to grow from 5.8 Million

in 2010 to 19 Million by 2050. Additionally, substantial growth in the senior population is expected to result in seniors representing a larger proportion of the total United States population. In 2010, seniors represented 13% of the total population, and by 2050, that figure is expected to exceed 20%.

- **Increasing Life Expectancy:** Life expectancy has increased over the past 50 years as a result of improved standards of living, changes in lifestyle, and awareness and advancements in medicine and technology. This increased life expectancy should increase demand for seniors housing and care properties as the length of time seniors stay in such facilities also increases.
- **Changing Family Dynamics:** As a result of changing family dynamics, seniors housing and care properties have become more important as adult children are less willing or able to care for their aging parents. These dynamics include an increasing number of dual-income families, increased life expectancy, the increasing number of single-parent households, and the further geographic dispersion of families. All of these factors have contributed to increased demand.
- **Rising Health Care Costs and Desire for Alternatives:** Rising health care costs and government budgetary constraints have forced government and private payors to seek cost-effective health care alternatives. SNFs, LTCs, AL and MC communities provide lower cost care alternatives as compared to home or hospital care.
- **Changes in Consumer Preferences:** The majority of the existing seniors housing and care properties in the United States are antiquated and insufficient to meet the preferences of today's seniors. These properties have an institutional feel and suffer from significant drawbacks, including shared rooms, central or shared bathing, cafeteria-style dining settings and insufficient common areas and amenities. In contrast, seniors now desire newer properties that have a more upscale and residential feel. In particular, seniors now demand larger private rooms, private in-room bathing, and restaurant-style dining. Furthermore, residents often choose properties with improved amenities such as cafes, theatres, chapels, fitness centers, community rooms, wellness centers, spas, in-room kitchens and laundry facilities, and beauty/barber shops.

Regulation and Funding

United States

Seniors housing and care in the United States is subject to varying degrees of regulation and licensing by federal and state health agencies and other regulatory authorities, depending principally on the level of care and types of services offered. Although requirements vary from state to state, these requirements generally address operational and safety matters. In some states, properties also require a CON from the applicable state government body before the facility can be developed and operated. Specific regulations within each state vary significantly. In most states, seniors housing and care properties are subject to state or local zoning requirements, building codes, fire codes and food service licensing or certification requirements. Seniors housing and care properties are also subject to periodic surveys or inspections by governmental authorities to assess and ensure compliance with regulatory requirements.

Funding for seniors housing and care properties in the United States generally comes from the below sources:

- **Private Insurance:** Private insurance is a broad category encompassing any insurance-funded payor source outside of the Medicare and Medicaid programs. Private insurance may include long-term care insurance, Medicare co-insurance or traditional medical insurance. Some residents carry long-term care insurance policies that cover all or a portion of a facility's daily rate or additional services. Long-term care policies vary as to the types and amounts of coverage and have been increasing in prevalence over the last few years. This is in part due to tax incentives encouraging people to purchase coverage in order to decrease the demands upon the Medicare and Medicaid programs. Private insurance reimbursement rates tend to be stable, without significant changes

from year to year. Private per diem reimbursement rates are generally lower than Medicare reimbursement rates and higher than Medicaid reimbursement rates, although they may be a fixed dollar amount unrelated to other rates. Private insurance rates also may be determined by negotiated agreements between operators and insurance carriers.

- **Private Funds:** Another source of payment is private funds. Residents pay the full rate (for a facility's per diem charges along with any ancillary service charges) as determined by the facility according to the level of care required for the patient, the ancillary services required, and market demand.
- **Medicare:** Medicare is the social insurance program administered by the United States federal government to provide health insurance coverage to residents who have paid into the United States social security system for at least 10 years and who are over the age of 65 or disabled. Medicare benefits are divided into several parts including: Part A (Hospital/Nursing Home Services) and Part B (Professional and Non-Institutional Services). Part A covers room and board for inpatient hospital, SNF and other facility-based care, along with costs of medication, supplies, equipment and nursing and rehabilitation therapy services incurred during an inpatient stay. Part A coverage is limited to higher-acuity care for a limited length of stay; however, a patient may continue to be covered under Part B for physical, occupational and speech therapy while in a nursing home, even if Part A coverage has expired.

Medicare per diem reimbursement rates are determined based on the patient's acuity level and other factors, such as assistance with daily living needs. It is not a cost-reimbursement system tied to the costs incurred or fees charged by a particular facility or within a specific state. Medicare generally only covers short-term rehabilitation and therapy rather than long-term stays in a facility. Thus, Medicare rates tend to be higher on average than other forms of government reimbursement. However, as a government program, the reimbursement rates paid for Medicare services, or the services covered by the program, are subject to change from time to time.

- **Medicaid:** Medicaid is a social insurance program that is administered by state governments but is also significantly funded by the federal government. There are some program variations from state to state in terms of reimbursement rate methodologies and service coverage. However, in all states, qualifications are determined according to an individual's income and assets. Generally, to qualify for Medicaid coverage, an individual will have exhausted most of their assets, and any limited income beyond a nominal amount is paid to the nursing facility. Medicaid then pays the differential between a calculated reimbursement rate for the facility and the limited contribution from the individual. The Medicaid reimbursement rate is intended to cover the costs of room, board, nursing, medication and therapy services, but some medications, supplies, equipment and services are not fully covered by Medicaid. Medicaid reimbursement rates tend to be lower than most other forms of payment. Medicaid reimbursement rates are also subject to change from time to time due to state and federal government budgetary considerations.

Ownership Structures

Joint Venture Structure

We have entered joint venture arrangements in respect of certain of our seniors housing operations and properties. These joint venture arrangements with respect to the operations have the benefit of sharing the risks associated with the ownership and management of such seniors housing residences, including those risks described below under "*Risk Factors*".

Wholly Owned Structure

We currently own three properties that are wholly owned and managed by a third-party management company, Constant Care Management Company.

REAL ESTATE PORTFOLIO

The following tables provide information regarding the properties owned, directly or indirectly, by the Corporation as of December 31, 2025.

Portfolio

Property Name	Location	Year Built ⁽¹⁾	Type	# of Beds	Structure
Heritage Senior Living					
The Birches at Harleysville	Harleysville, PA	2008	AL/MC	86	90% / 10% joint venture
The Birches at Newtown	Newtown, PA	2014	AL/MC	117	80% / 20% joint venture
Traditions of Lansdale	Lansdale, PA	1985/2016/2024	IL/AL/MC	120	90% / 10% joint venture
Health Dimensions Group					
Terra Bluffs	Parker, CO	2023	AL/MC	118	80% / 20% joint venture
Constant Care Management Company					
Grand Brook Memory Care of New Braunfels	New Braunfels, TX	2016	MC	64	100% owned; third party management agreement
Grand Brook Memory Care of San Antonio	San Antonio, TX	2016	MC	64	100% owned; third party management agreement
Grand Brook Memory Care of Little Rock	Little Rock, AR	2015	MC	74	100% owned; third party management agreement

Notes:

(1) Date indicates year built, and, if applicable, most recent year of major renovations

The following is a description of each of the properties in the Corporation's portfolio:

The Birches at Harleysville

691 Main Street, Harleysville, PA 19438

The Birches at Harleysville is an assisted living and memory care community consisting of 86 beds. The three-story community was built in 2008. The property sits on a 2.46-acre parcel, encompasses 62,666 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

The Birches at Newtown

70 Durham Road, Newtown, PA 18940

The Birches at Newtown is an assisted living and memory care community consisting of 117 beds. The two-story community was built in 2014. The property sits on an 8.91-acre parcel, encompasses 82,151 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, and beauty salon services.

Traditions of Lansdale

1800 Walnut Street, Lansdale, PA 19446

Traditions of Lansdale is an independent living, assisted living and memory care community with 120 beds. The community was built in 1985, with renovations completed in 2016 and 2024. The property sits on a 6.45-acre parcel, encompasses 40,000 square feet, and offers studio, one-bedroom and two-bedroom apartments. The community is 100% private pay and offers a complete range of seniors living options from IL to AL to MC apartments. Services offered to residents include 24/7 on-site care staff, weekly housekeeping and laundry service, three full meals a day, on-site recreational amenities, health care monitoring, transportation, bathing services (for MC patients), and beauty salon services.

Terra Bluffs

8797 South Chambers Road, Parker, CO 80134

Terra Bluffs is a state-of-the-art assisted living and memory care community built in 2023. This two-story property sits on a 4.58-acre parcel, encompassing 101,265 square feet. Services offered to residents

include a variety of life enrichment programs, visiting medical practitioners, and educational seminars. The community has a fitness center, a chapel, an outdoor courtyard with walking paths, and a sky lounge/pub.

***Grand Brook Memory Care of New Braunfels
2022 State Highway 46 West, New Braunfels, Texas, 78130***

Grand Brook Memory Care of New Braunfels is a memory care community with 64 beds. The community was built in 2016. The one-story property sits on a 5.50-acre parcel, encompasses 48,382 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers an atmosphere that allows caregivers to interact with residents. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The site has easy access to multiple health care facilities, including CHRISTUS Santa Rosa Health System, McKenna Memorial Hospital, and the new Resolute Health Hospital.

***Grand Brook Memory Care of San Antonio
10910 Town Center Drive, San Antonio, Texas, 78251***

Grand Brook Memory Care of San Antonio is a memory care community with 64 beds. The community was built in 2016. The one-story property sits on a 3.31-acre parcel, encompasses 43,097 square feet, and offers design features unique for residents with memory care requirements. The community is 100% private pay and offers an atmosphere that allows caregivers to interact with residents. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The community has easy access to multiple health care facilities, including CHRISTUS Santa Rosa Health System, Baptist Medical Center, the Baptist Emergency Hospital, and a new Methodist Hospital facility now in the planning stages. Adjoining the property is a newly constructed medical office building, anchored by a large primary care medical practice.

***Grand Brook Memory Care of Little Rock
2501 Aldersgate Road, Little Rock, Arkansas, 72205***

Grand Brook Memory Care of Little Rock is a memory care community with 74 beds. The community was built in 2015. The one-story property sits on a 5.70-acre parcel, encompasses 48,382 square feet, and offers design features unique for residents with memory care requirements. The community has a chapel, a library, a beauty/barbershop, an arts and crafts work area, an outdoor garden, and physical therapy rooms. The community is located near the entrance of a 145-acre hospital campus with easy access to multiple health care centers.

RISK FACTORS

We face a variety of significant and diverse risks, many of which are inherent in our business and the operators of our properties. Described below are certain risks that could materially affect the Corporation. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect business, prospects, financial condition, results of operations or cash flow.

Risk Factors Related to Our Business

There is significant competition in the real estate business, both for new acquisitions, and operators and tenants.

The real estate business is competitive. Numerous other developers, managers and owners of seniors housing and care properties do and will compete with us in seeking operators. Some of the properties located in the same markets as our properties will be newer, better located, less levered or have stronger tenant profiles than our properties. Some property owners with properties located in the same markets as us may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn and better able to adapt existing and new properties to changing trends in design and functionality. The existence of developers, managers and owners in such markets and competition for the

residents and tenants of such properties could have a negative effect on our ability to find replacement operators in such markets. This negative effect in turn could have an adverse effect on our financial condition and results of operations and decrease the amount of cash available for distribution, if any.

Disease Outbreaks

The occurrence of an illness that leads, or is anticipated to lead, to a local, regional, or national outbreak or epidemic, or to an international outbreak or pandemic, such as Middle East Respiratory Syndrome (MERS-CoV), Severe Acute Respiratory Syndrome (SARS), Ebola (EVD), H1N1 influenza virus, avian flu, the COVID-19 pandemic, or any similar illness or mutations thereof, could affect our business as a result of the implementation of measures such as travel bans and restrictions, stay-at-home orders, social distancing guidelines and limitations on other business activity.

The COVID-19 pandemic resulted in a significant economic downturn globally and led to disruptions and volatility in capital markets. We are not able to fully quantify the impact that the COVID-19 pandemic had on our financial results but expect that the pandemic had a material adverse effect on our results of operations, financial position, and cash flows, particularly given the negative economic and public health conditions that persisted for a few years.

Our real estate investments are relatively illiquid.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Our seniors housing and care properties are not readily converted for other uses. Transfers of operations of such health care related facilities are also oftentimes subject to regulatory approvals that other types of commercial real estate do not require. If we were required to liquidate our real property investments, the proceeds might be significantly less than the aggregate carrying value of our properties, which could have an adverse effect on our financial condition and results of operations, decreasing the amount of cash available for distribution.

We face significant business risks given the nature of its operations.

We are subject to general business risks and risks inherent to the seniors housing industry, including fluctuations in occupancy levels, increases in labor and other operating costs, competition from other similar properties and service providers, health-related risks, the potential for unfavorable changes to regulations, the imposition of new or increased taxes and capital expenditure requirements. In addition, there are certain risks involved in providing housing and health care services to seniors such as instances of injury or death of the residents, negligent acts by employees or others who come into contact with the residents, and other operational risks.

The portfolio faces significant competition for residents from other operators.

Other managers and owners of seniors housing properties compete with our properties in seeking residents. The existence of this competition may adversely affect our ability to find residents and the level of rents we are able to charge, which could have an adverse effect on our revenue.

Management companies face competition for experienced labor and increasing labor costs.

All of our operating partners compete in local markets with other health care service providers with respect to attracting and retaining qualified management and other employees who are responsible for the day-to-day operations of our communities. Our management companies are dependent on the available labor pool of employees to provide the care our residents require. Increased competition for, or a shortage of labor supply or changes in the labor market may require more costly wage and benefits packages in order to compete. In addition, we have experienced and may continue to experience wage pressures due to minimum wage increases mandated by state and local laws and the proposed increase to the salary thresholds for overtime exemptions under the Fair Labor Standards Act, which the Department of Labor is currently contemplating. It is unclear what rule changes the Department of Labor will adopt. No assurance can be given that labor costs will not increase, or if they do increase, that they can be offset by corresponding increases in rental revenue or other cost savings.

The portfolio may be adversely impacted by the inability of seniors to afford resident fees due to various factors.

Costs to seniors associated with independent and assisted living services are not generally reimbursable under government reimbursement programs such as Medicare and Medicaid. Only seniors with income or assets meeting or exceeding the comparable median in the regions where our communities are located typically can afford to pay our monthly resident fees. Economic downturns, softness in the housing market, higher levels of unemployment among resident family members, lower levels of consumer confidence, stock market volatility and/or changes in demographics could adversely affect the ability of seniors to afford our resident fees. If we are unable to retain and/or attract seniors with sufficient income, assets or other resources required to pay the fees associated with independent and assisted living services and other service offerings, our occupancy, revenues, results of operations and cash flow could decline.

The license or registration necessary to operate certain of our communities may be negatively impacted by things outside of our control.

Our senior living communities are subject to regulation and licensing by state and local health and other regulatory authorities. Although requirements vary from state to state, these requirements may address, among others, personnel education, training and records, community services, staffing, physical plant specifications, food and housekeeping services, emergency power generator requirements, professional licensing and certification of staff. In several of the states there are different levels of care that can be provided based on the level of licensure. In several of the states in which we operate, assisted living and memory care communities require a CON before the community or agency can be opened or the services at an existing community can be expanded. Senior living communities may also be subject to state and/or local building, zoning, fire, and food service codes and must follow these local codes before licensing or certification may be granted. Failure to obtain a license, or loss of a required license or registration would prevent a community from operating in the manner intended by us.

Unannounced surveys or inspections may occur annually or bi-annually or following a regulator's receipt of a complaint about the provider. From time to time in the ordinary course of business, we receive survey reports from state regulatory bodies resulting from such inspections or surveys. Most inspection deficiencies are resolved through a plan of corrective action relating to the community's operations, but the reviewing agency may have the authority to take further action against a licensed or certified community or agency, which could result in the imposition of fines, imposition of a provisional or conditional license, suspension or revocation of a license, suspension or denial of admissions, loss of certification as a provider under federal reimbursement programs or imposition of other sanctions, including criminal penalties. Loss, suspension or modification of a license may also cause us to default under our debt and lease documents and/or trigger cross-defaults. Sanctions may be taken against providers or communities without regard to the providers' or communities' history of compliance. Any future substantial failure to comply with any applicable legal and regulatory requirements could result in a material adverse effect to our business as a whole. In addition, our operations could suffer if future regulatory developments, such as federal assisted living and memory care laws and regulations, as well as mandatory increases in the scope and severity of deficiencies determined by survey or inspection officials or increase the number of citations that can result in civil or criminal penalties. Furthermore, certain states may allow citations in one community to impact other communities in the state. Revocation or suspension of a license, or a citation, at a given community could therefore impact our ability to obtain new licenses or to renew existing licenses at other communities, which may also cause us to be in default under our loans or adversely affect our ability to operate and/or obtain financing in the future.

We have significant fixed costs that may not be able to be passed on to operators.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If our operating partners fail to pass along these costs, we may be unable to meet mortgage payments on any property, and losses could be sustained as a result of the mortgagee's exercise of its rights to charge additional interest or penalties, or of foreclosure or sale.

The timing and amount of capital or other expenditures indirectly affects the amount of cash available for distribution. Distributions may be reduced, or even eliminated, at times when we deem it necessary to make significant capital or other expenditures.

We rely on our operators and negative results in their operations can have a negative impact on us.

The seniors housing and care industry is highly competitive and may become more competitive in the future. Our operators compete with numerous other companies providing similar services or alternatives, such as home health agencies, life care at home, community-based service programs, retirement communities and convalescent centers. As a result, we cannot be certain that our operators will be able to achieve and maintain occupancy and rate levels that will enable them to meet all of their obligations.

In addition, operators of our properties are subject to numerous federal, state, provincial and local laws and regulations that are subject to frequent and substantial changes (sometimes applied retroactively) resulting from legislation, adoption of rules and regulations and administrative and judicial interpretations of existing law. The ultimate timing or effect of these changes cannot be predicted. These changes may have a dramatic effect on such operators' costs of doing business and the amount of reimbursement by both government and other third-party payors. The failure of our operators to comply with these laws, requirements and regulations could adversely affect their ability to meet their obligations.

Any adverse developments in our business and affairs could have a material adverse effect. If any of our operators experience any significant financial, legal, accounting or regulatory difficulties due to a weakened economy or otherwise, such difficulties could result in, among other adverse events, acceleration of its indebtedness, the inability to renew or extend its credit facilities, the enforcement of default remedies by its counterparties or the commencement of insolvency proceedings, any one or a combination of which could have a material adverse effect.

Our operators may experience decreases in revenues or increases in expenses which may negatively impact our overall financial results.

Our operators' revenues are primarily driven by occupancy, private pay rates and Medicare and Medicaid reimbursement. Expenses for the seniors housing and care properties in which we are invested are primarily driven by the costs of labor, food, utilities, taxes, insurance, rent and/or debt service. Revenues from government reimbursement have, and may continue to, come under pressure due to reimbursement cuts and state budget shortfalls. Operating costs will likely continue to increase for our operators. To the extent that any decrease in revenues or any increase in operating expenses results in a property not generating enough cash to make payments, the credit of our operator and the value of other collateral would have to be relied upon. To the extent the value of such a property is reduced, we may need to record an impairment for such asset. Furthermore, if we decide to dispose of an underperforming property, such sale may result in a loss. Any such impairment or loss on sale would negatively affect our results.

We are exposed to certain risks due to our concentration on seniors housing related real estate.

We make investments primarily in seniors housing and health care related properties, which subjects us to the risks inherent in concentrating investments in a limited number of asset classes. A downturn in the real estate industry generally or the seniors housing and health care related real estate sector specifically could reduce the value of our properties and could require us to recognize impairment losses from our properties. The risks we face may be more pronounced than if we diversified its investments outside real estate in general or outside health care real estate specifically.

The license, registration or CON necessary to operate certain of our properties may be negatively impacted by things outside of our control.

Failure to obtain a license, registration or CON, or loss of a required license, registration or CON, would prevent a facility from operating in the manner intended by the operators. These events could materially adversely affect our ability to make mortgage payments. State and local laws also may regulate the expansion, including the addition of new beds or services or acquisition of medical equipment, and the

construction or renovation of health care facilities by requiring a CON or other similar approval from a state agency.

The time that it will take to stabilize operations of new developments is unknown.

Recently developed properties may take longer than expected to achieve stabilized operating levels, if at all. To the extent such facilities fail to reach stabilized operating levels or achieve stabilization later than expected, it could materially and adversely affect our tenants' abilities to make payments to us under their leases and thus adversely affect our business and results of operations.

We may not be able to continue to access capital to fund our operations.

The real estate industry is highly capital intensive. We require access to capital to maintain its properties, as well as to fund certain capital expenditures. There can be no assurances that we will otherwise have access to sufficient capital or access to capital on terms for future financing or refinancing of properties, development of properties, funding operating expenses or other purposes. Failure to access required capital could adversely impact our financial condition and results of operations.

We may not be able to continue to service our debt and may be subject to other financing risks.

We maintain property-level indebtedness on certain of our properties. Although a portion of the cash flow generated by our properties is devoted to servicing such debt, there can be no assurance that we will continue to generate sufficient cash flow from operations to meet required interest and principal payments on our outstanding indebtedness. If we are unable to meet our obligations, we may be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. Our failure to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact our financial condition and results of operations.

We are subject to the risks associated with debt financing, including the risk that the mortgages secured by our properties will not be able to be refinanced or that the terms of such refinancing will not be as favorable as the terms of existing indebtedness. To the extent we incur variable rate indebtedness, there will be fluctuations in our cost of borrowing as interest rates change. To the extent that interest rates rise, our operating results and financial condition could be adversely affected.

Breach of Privacy or Information Security Systems

The protection of tenant, employee, and company data is critically important to us. Our business may require the use and storage of personally identifiable and other sensitive information. The collection and use of personally identifiable information is governed by federal, state and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase our operating costs and adversely impact our ability to market our properties.

The security measures put in place cannot provide absolute security, and both our and our tenants' information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents, including, ransom of data, such as, without limitation, resident and/or employee information, due to employee error, malfeasance, or other vulnerabilities. Any such incident could compromise networks, and the information stored by us or our tenants could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to our assets, or other harm. Moreover, if a data security incident or breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation and brand could be materially damaged and we may be exposed to a risk of loss or litigation and possible liability, including, without limitation, which could result in a material adverse effect on our business, results of operations and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. In the future, we may expend additional resources to continue to enhance our information

security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that we will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on our systems, or that any such incident will be discovered in a timely manner. Further, the techniques used by criminals to obtain unauthorized access to sensitive data, such as phishing and other forms of human engineering, are increasing in sophistication and are often novel or change frequently; accordingly, we may be unable to anticipate these techniques or implement adequate preventative measures.

If we do not allocate and effectively manage the resources necessary to build and sustain reliable information technology infrastructure, fails to timely identify or appropriately respond to cybersecurity incidents, or information systems are damaged, destroyed, shut down, interrupted or cease to function properly, our business could be disrupted and we could, among other things, be subject to: the loss of or failure to attract new tenants; the loss of revenue; the loss of unauthorized access to confidential information or other assets; the loss of or damage to trade secrets; damage to its reputation; litigation; regulatory enforcement actions; violation of privacy, security or other laws and regulations; and remediation costs.

We may not fully control all of our investments.

We have and may in the future, directly or indirectly, invest in joint venture arrangements. Although we may not have control over these investments and therefore, may have a limited ability to protect its position therein, such joint venture arrangements contain terms and conditions which, in the opinion of the Independent Directors, are commercially reasonable, including without limitation, such terms and conditions relating to restrictions on the transfer, acquisition and sale of our and any joint venturer's interest in the joint venture arrangement, provisions to provide us with liquidity, provisions to limit our liability and the liability of our Shareholders to third parties and provisions to provide for our participation in the management of the joint venture arrangements. Nevertheless, such investments may involve risks not present in investments where a third-party is not involved, including without limitation: (i) the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment; (ii) the possibility that a co-venturer may have economic or business interests or goals which are inconsistent with ours (including relating to the sale of properties held in the joint venture or the timing of the termination and liquidation of such joint venture); (iii) the risk that a co-venturer may be in a position to take action contrary our investment objectives; (iv) the risk that a co-venturer may, through its activities on behalf of or in the name of the joint venture or partnership, expose or subject us to liability; or (v) the need to obtain a co-venturer's consent with respect to major decisions or the inability to have any decision making authority. In addition, the sale or transfer of interests in certain of the joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture agreements may provide for buy-sell or similar arrangements. Such rights may limit our ability to sell an interest in a property or a joint venture within the time frame or otherwise on the basis we desire. Additionally, drag-along rights may be triggered at a time when we may not intend to sell a property and we may be forced to do so at a time when it would not otherwise be in our best interest.

Certain of our debt instruments have variable rates and we may be adversely impacted by rising interest rates.

We can require extensive financial resources to implement our strategy. When concluding financing agreements or extending such agreements, we will depend on its ability to agree on terms, including in respect of interest payments and, if applicable, amortization, that will not impair our desired AFFO. In addition to the current credit facilities, we may enter into future financing agreements with variable interest rates. There is a risk that interest rates will increase in the future. An increase in interest rates could result in a significant increase in the amount paid by us to service debt. To the extent that we fail to adequately manage our variable interest rate risks, our financial results, and our ability to make interest payments under the credit facilities and any other variable rate financings may be materially adversely affected.

Increases in interest rates generally cause a decrease in demand for real property. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by lenders, could have a material adverse effect on our ability to sell any of its properties.

As an owner of real estate, we are subject to certain environmental liability associated with such ownership.

Environmental legislation and regulations have become increasingly important in recent years. As an owner of interests in real property, we are subject to various laws relating to environmental matters. Such laws provide that we could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further, we may incur liability with respect to the release of such substances from or to our properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. These laws also govern the maintenance and removal of asbestos containing materials in the event of damage, demolition or renovation of a property and emissions of and exposure to asbestos fibers in the air. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell such properties, realize the full value of such properties or borrow using such properties as collateral security, and could potentially result in claims against us by public or private parties.

We generally obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a new property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments will provide us with some level of assurance about the condition of property, we could become subject to liability for undetected contamination or other environmental conditions at its properties, which could negatively impact our financial condition and results of operations.

We intend to make the necessary capital and operating expenditures to comply with applicable environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on our business, financial condition or results of operations. However, environmental laws can change, and we may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on our financial condition and results of operations.

We are subject to general insured and uninsured risks.

Our business entails an inherent risk of liability. From time to time, we may be subject to lawsuits as a result of the nature of its business. Our operators are required to carry comprehensive property insurance coverage with customary policy specifications, limits and deductibles and will be required to include the owner of the property as an additional insured under such policies. There can be no assurance, however, that such policies will not lapse, claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against us not covered by, or in excess of, our insurance could have a material adverse effect on our business, operating results and financial condition. Claims against us, regardless of their merit or eventual outcome, also may have a material adverse effect on our ability to attract operators or expand our business and will require Management to devote time to matters unrelated to the operation of our business.

We rely on certain key personnel and our business may be negatively impacted by their departure.

The management and governance of the Corporation depends on the services of certain key personnel, certain Executive Officers, and the Directors. The loss of the services of any such individual could have an adverse effect on the Corporation and adversely impact our financial condition and results of operations. The Corporation does not have key man insurance on any of its key employees.

There may be changes to governmental reimbursement programs such as Medicare or Medicaid which may negatively impact our operators.

Because of the dynamic nature of the legislative and regulatory environment for health care products and services, and in light of existing federal deficit and budgetary concerns, we cannot predict the impact that broad-based, far-reaching legislative or regulatory changes could have on the United States economy, our business or that of our operators.

Our operators are subject to fraud and abuse laws and regulations which may negatively impact operations.

There are various complex federal and state laws and regulations governing fraud and abuse by health care providers. The laws define fraud and abuse expansively to include many relationships and referral arrangements that are common in other industries but illegal in health care. Violation of these laws or regulations by a tenant could result in the imposition of extremely large criminal or civil fines or penalties, exclusion from the Medicare and Medicaid programs and reputational harm that may jeopardize a tenant's ability to continue operating its property or make lease payments. Reducing fraud and abuse in health care has been identified as a priority of the OIG and the DOJ. OIG and DOJ enforcement efforts are a significant risk to any health care operator or provider.

There may be legislative developments in the U.S. which could negatively impact our business.

Each year, legislative proposals are introduced or proposed in Congress, and in some state legislatures, that would cause major changes in the health care system, either nationally or at the state level. We will not be able to predict whether any proposals will be adopted or, if adopted, what effect, if any, these proposals would have on operators and, thus, our business.

Risk Factors Relating to Common Shares

Reinstatement of our dividend is not guaranteed.

On April 10, 2020, we announced that we were suspending the dividends on the Common Shares until further notice. There can be no assurance that we will resume the declaration and payment of dividends. Even if we do resume dividend payments, there can be no assurance regarding the amount of income to be generated by our properties. Our ability to pay cash dividends, and the actual amount paid, will be entirely dependent on our operations and assets. Any determination to pay cash dividends will be at the discretion of the Board after considering such factors as our financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, obligations under applicable credit facilities and any other factors that the Board may deem relevant. The market value of the Common Shares will deteriorate if we are unable to meet our dividend targets in the future, and that deterioration may be significant. See "*Dividend Policy*."

Our share ownership is concentrated in a few significant Shareholders and they may be able to exercise substantial influence over the Corporation.

As of December 30, 2025, the Funds owned or controlled approximately 80% of the outstanding Common Shares. The Funds are not involved in the day-to-day management and governance but, pursuant to the IRA, have been granted board nomination rights in respect of a certain number of directors (based on the size of our board and the securityholder percentage of the Funds Manager and the Funds at the relevant times), as well as approval and consent rights in respect of certain actions. For so long as the Funds maintain a substantial interest, the Funds will be in a position to exercise substantial influence with respect to our affairs, significantly affect the outcome of the votes of holders of Common Shares and prevent certain fundamental transactions. If the Funds reduce their interest, the market price of the Common Shares could fall. The perception among the public that these sales may occur could also produce such effect.

Our Common Share price is subject to market volatility.

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly results of operations;
- changes in estimates of future results of our operations or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to us;
- addition or departure of our Executive Officers and other key personnel;
- release or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional securities, including Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

Since our Common Shares are U.S. denominated, our Canadian Shareholders will be subject to exchange rate fluctuations.

The Common Shares are denominated in U.S. dollars. Although dividends on the Common Shares have been suspended, it is anticipated that if any dividends are paid to Shareholders in the future, any such dividends paid to Shareholders will be paid in U.S. dollars, and therefore, Canadian investors who hold our U.S. dollar denominated shares will be subject to potential fluctuations in the Canadian/U.S. dollar exchange rate. In addition, U.S. dollar amounts must generally be converted into Canadian dollars for tax purposes using the applicable exchange rate.

Tax-Related Risk Factors

Canadian Tax Risks

FAPI

FAPI earned by IVQ U.S. (or any other "controlled foreign affiliate", as defined in the Tax Act) must be included in computing our income for the taxation year of IVQ U.S. (or other controlled foreign affiliate) ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act. We intend that the income earned from the properties currently owned by the Corporation will not give rise to FAPI and has structured the operations of its controlled foreign affiliates accordingly. However, there is no assurance that this will continue to be the case or that this position will not be challenged by the Canada Revenue Agency. The deduction for grossed-up "foreign accrual tax" may not fully offset the FAPI realized by IVQ U.S., thereby increasing our Canadian tax liability. In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act as though IVQ U.S. was a resident of Canada (subject to the detailed rules contained in the Tax Act), income or transactions that are not taxable to IVQ U.S. under the relevant tax laws (including under the Code) may still give rise to FAPI for purposes of the Tax Act and, accordingly, may result in a Canadian tax liability.

Change of Law

We are subject to Canadian tax laws. There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative policies and assessing

practices of the Canada Revenue Agency will not be changed in a manner that adversely affects the us or our Shareholders. Any such change could increase the amount of tax payable by us or our affiliates.

Canadian Foreign Affiliate Dumping Rules

The Tax Act FAD Rules affecting foreign-controlled corporations that are resident in Canada and that make various forms of direct and indirect “investments” in foreign corporations that are, or after the investment and as part of a transaction or event or series of transactions or events that includes the making of the investment become, “foreign affiliates” of the Canadian-resident Corporation. We were previously a foreign-controlled Canadian resident corporation under the Tax Act. As a result, certain investments we made in foreign corporations (i) resulted in a reduction of the “paid-up capital” of the Common Shares for purposes of the Tax Act and (ii) could result in being deemed to have paid a dividend for purposes of the Tax Act to the Funds Manager or an affiliated entity (resulting in a liability for non-resident Canadian withholding tax), which could increase our tax costs and have a material adverse effect on us or the Shareholders. As a result of the application of the FAD Rules, the paid-up capital for purposes of the Tax Act of each Common Share may be materially less than the price for which it was issued (and accordingly less than a Shareholder’s adjusted cost base in such share). We intend to manage our investments and affairs such that we will not be deemed to have paid any dividends by virtue of the FAD Rules. In general, the reduced paid-up capital of the Common Shares should not have a material adverse effect on us or the Shareholders. However, in certain circumstances the reduced paid-up capital of the Common Shares could have a material adverse effect on Shareholders. For example, if a Common Share held by a Shareholder is redeemed by us (other than through an open market purchase in the manner in which shares would normally be purchased by any member of the public in the open market), the Shareholder will be deemed to have received a dividend from us equal to the amount, if any, by which the redemption proceeds exceed the aggregate paid-up capital of the share redeemed (regardless of the adjusted cost base of such share to the Shareholder). If the Shareholder is a non-resident of Canada, any such deemed dividend will be subject to Canadian withholding tax.

United States Tax Risks

Change of Law

IVQ U.S. is subject to United States tax laws. There can be no assurance that United States federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative and assessing practices and policies of the Internal Revenue Service and the Department of Treasury will not be changed, possibly on a retroactive basis, in a manner that adversely affects IVQ U.S., us or Shareholders. In particular, any such change could increase the amount of United States federal income tax payable by IVQ U.S. or its affiliates or could otherwise adversely affect Shareholders by reducing the amount available to pay distributions.

Change of law or subsequent events could affect our status as a foreign corporation for U.S. federal income tax purposes and impose U.S. withholding tax on certain payments made by us.

Although we are incorporated in Canada, the IRS may assert that it should be treated as a U.S. corporation (and therefore, a U.S. tax resident) for U.S. federal income tax purposes, pursuant to section 7874 of the Code. For U.S. federal income tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because we are a Canadian incorporated entity, it would generally be classified as a foreign corporation (and therefore, a non-U.S. tax resident) under these rules. Section 7874 provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes.

We believe that it will be classified as a foreign corporation for U.S. federal income tax purposes. However, the IRS could disagree with this determination. Furthermore, such determination could be influenced by subsequent events (such as a subsequent issuance of Common Shares). In addition, there have been legislative proposals to expand the scope of U.S. corporate tax residence, including by potentially causing a corporation to be treated as a U.S. corporation if the management and control of such corporation and its affiliates were determined to be located primarily in the United States, and there could be prospective or

retroactive changes to Section 7874, the U.S. Treasury regulations promulgated thereunder or to other relevant tax laws that could result in us being treated as a U.S. corporation

If the IRS were able to successfully assert that we are classified as a U.S. corporation for U.S. federal income tax purposes, we would be subject to U.S. federal income taxation, which could materially increase the amount of U.S. federal income tax payable by us and our subsidiaries, and any distributions made could be subject to U.S. federal withholding taxes. Such consequences could have a material adverse effect on our financial position and cash flow.

INDEBTEDNESS

Debt Strategy

We utilize conventional property-specific or portfolio-specific secured mortgages. Management's objective is to access the lowest cost debt with flexible terms and to diversify our lender base. We monitor our 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, we 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.

We provide extensive disclosure of our indebtedness in our publicly filed financial statements and MD&A. However, a summary is provided below as at December 31, 2025.

Indebtedness

	Principal Amount	Weighted Average Interest Rate	Years to Maturity ⁽²⁾
2027 Debentures ⁽¹⁾	\$27,300	9.8%	2.0
Mortgages Payable	6,133	7.3%	1.3
Total Indebtedness	\$33,433		
Finance Costs, net	(61)		
Carrying Value	\$33,372		

Notes:

- (1) The 2027 Debentures were fully redeemed on January 23, 2026, and as of the date of this AIF, there are no 2027 Debentures outstanding.
- (2) Years to maturity does not include the exercise of extension options available to certain mortgages, where available, and which are generally exercisable at our discretion, subject to certain contractual conditions.

Joint Venture Indebtedness

	Principal Amount	Weighted Average Interest Rate	Years to Maturity ⁽¹⁾
Fixed Rate Mortgages	\$20,397	7.0%	1.9
Variable Rate Mortgages	52,262	SOFR +2.50% to SOFR + 3.50%	2.2
Total Indebtedness	\$72,659	6.7%	2.1
Finance Costs, net	(734)		
Carrying Value	\$71,925		
Corporation's Share of Carrying Value	\$60,533		

Notes:

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

DIVIDEND POLICY

Dividend Policy

The Directors have full discretion respecting the timing and amounts of dividends, including the adoption, amendment or revocation of any dividend policy.

Following the completion of the original common share offering, we paid a dividend for the period from closing of the offering to June 30, 2016, in the amount of \$0.05729 per Common Share. Thereafter, until April 2020, we paid subsequent monthly dividends in the amount of \$0.06139 per Common Share. On April 10, 2020, we announced that we were suspending the dividends on the Common Shares until further notice. There are currently no plans to resume the declaration and payment of dividends and there can be no assurance that we will ever resume the declaration and payment of dividends. Even if we do resume dividend payments, our ability to declare cash dividends, and the actual amount paid, will be entirely dependent on our operations and assets and will be subject to various factors including financial performance, fluctuations in working capital, the sustainability of income derived from the operators of our properties and any capital expenditure requirements. See “*Risk Factors*.”

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Subject to the provisions of the BCBCA, holders of Common Shares are entitled to:

- receive notice of and to attend all meetings of Shareholders, except meetings at which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to attend; and
- vote on all matters submitted to a vote or consent of Shareholders, except matters upon which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to vote.

The holders of Common Shares are entitled to one vote in respect of each Common Share held. Subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, holders of Common Shares are entitled to receive dividends if, as and when such dividends are declared by the Board, *pari passu* with the holders of Non-Voting Shares. In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among Shareholders for the purpose of winding up its affairs, subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, the holders of Common Shares are entitled to receive, *pari passu* with the holders of Non-Voting Shares, the remaining property and assets of the Corporation.

Non-Voting Shares

Subject to the BCBCA, holders of Non-Voting Shares are not entitled to vote at any meeting of Shareholders. Subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, holders of Non-Voting Shares are entitled to receive dividends if, as and when such dividends are declared by the Board, *pari passu* with the holders of Common Shares. In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among Shareholders for the purpose of winding up its affairs, subject to any rights attached to the Class A Shares, as determined by the Board at the time of issuance of the Class A Shares, the holders of Non-Voting Shares are entitled to receive, *pari passu* with the holders of Common Shares, the remaining property and assets of the Corporation.

The Non-Voting Shares are convertible on a one-for-one basis into Common Shares.

Class A Shares

Class A Shares may be issued in one or more series, each series to consist of such number of Class A Shares as may be fixed by the Board. The Board may, prior to issuance, determine the designation, rights, privileges, restrictions and conditions attaching to the Class A Shares of each series.

As of the date of this Annual Information Form, there are 913,518,837 Common Shares issued and outstanding. No Non-Voting Shares, Class A Shares or Preferred Shares are issued and outstanding.

Convertible Preferred Shares

As a result of the Preferred Share Exchange, there are no Preferred Shares issued and outstanding.

The Preferred Shares are non-voting and are convertible into Common Shares of the Corporation on a one-for-one basis at the option of the holder based on a certain initial liquidation preference and a conversion price. The Corporation may also cause the conversion of the Preferred Shares into Common Shares at any time and from time to time. Upon the occurrence of any liquidation, dissolution or winding up of the Corporation, each Preferred Share is entitled to a liquidation preference in priority to the holders of the Common Shares, the non-voting shares of the Corporation and any other shares ranking junior to the Preferred Shares. Holders of Preferred Shares will be entitled to dividends on the Preferred Shares if, as and when such dividends are expressly declared by the Board. The Corporation may, at any time and from time to time, redeem the whole or any part of the Preferred Shares then-outstanding, provided that the Corporation shall only be permitted to exercise its redemption right in certain circumstances.

Debentures

As at December 31, 2025, there was an aggregate principal amount of \$27.3 Million of 2027 Debentures. The 2027 Debentures were fully redeemed on January 23, 2026, and as of the date of this AIF, there are no 2027 Debentures outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The following tables set out the high and low trading prices and aggregate volume of trading of the Common Shares and 2027 Debentures on the TSX for the following periods.

Common Shares

Month	High	Low	Traded Volume (000s)
January 2025	\$0.10	\$0.08	2,700
February 2025	\$0.15	\$0.06	2,051
March 2025	\$0.18	\$0.12	2,496
April 2025	\$0.14	\$0.10	953
May 2025	\$0.12	\$0.06	787
June 2025	\$0.12	\$0.09	924
July 2025	\$0.12	\$0.09	322
August 2025	\$0.12	\$0.08	657
September 2025	\$0.11	\$0.08	528
October 2025	\$0.09	\$0.08	356
November 2025	\$0.10	\$0.08	263

Month	High	Low	Traded Volume (000s)
December 2025	\$0.11	\$0.08	871

Common Shares (CAD\$)

Month	High	Low	Traded Volume (000s)
January 2025	\$0.13	\$0.10	2,337
February 2025	\$0.19	\$0.11	2,946
March 2025	\$0.25	\$0.12	1,061
April 2025	\$0.19	\$0.13	339
May 2025	\$0.16	\$0.10	1,102
June 2025	\$0.17	\$0.12	809
July 2025	\$0.16	\$0.12	568
August 2025	\$0.15	\$0.11	990
September 2025	\$0.14	\$0.11	413
October 2025	\$0.13	\$0.12	374
November 2025	\$0.15	\$0.11	713
December 2025	\$0.15	\$0.11	1,004

2027 Debentures (no longer outstanding following the Redemption)

Month	High	Low	Traded Volume (000s)
January 2025	\$99	\$96	2,256
February 2025	\$100	\$99	1,638
March 2025	\$100	\$100	71
April 2025	\$100	\$100	322
May 2025	\$100	\$100	114
June 2025	\$100	\$100	77
July 2025	\$101	\$100	146
August 2025	\$101	\$100	120
September 2025	\$101	\$101	76
October 2025	\$101	\$101	165
November 2025	\$101	\$101	39
December 2025	\$101	\$100	162

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth the name, state of residence, positions held with the Corporation and principal occupation of the Directors and Executive Officers of the Corporation as of December 31, 2025:

Name and Municipality of Residence	Position with the Corporation as of December 31, 2025	Principal Occupation
Scott White <i>New Jersey, United States</i>	Chairman	Partner, CEO Coaching International
Brad Benbow ⁽¹⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ <i>Michigan, United States</i>	Director	Chairman & Chief Executive Officer of Prolific
Adlai Chester <i>Indiana, United States</i>	Director & Chief Executive Officer	Chief Executive Officer of the Corporation
Quinn Haselhorst <i>Indiana, United States</i>	Chief Financial Officer	Chief Financial Officer of the Corporation
Shaun Hawkins ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾ <i>Indiana, United States</i>	Director	Managing Partner of Pier 70 Ventures
Gail Steinel ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾ <i>New Jersey, United States</i>	Lead Independent Director	Owner of Executive Advisors

Notes:

- (1) Member of Governance Committee
- (2) Member of Human Resources Committee
- (3) Chair of Audit Committee
- (4) Chair of Governance Committee
- (5) Member of the Audit Committee
- (6) Chair of Human Resources Committee
- (7) Independent Director

Brad Benbow and Shaun Hawkins have served as Directors of the Corporation since April 5, 2016. Scott White has served as Chairman of the Corporation since March 11, 2019. Adlai Chester has served as a Director of the Corporation since May 15, 2019. Gail Steinel has served as Director of the Corporation since August 10, 2021.

The Directors were elected at the annual meeting of Shareholders of the Corporation held on June 18, 2025. The Directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment.

The Directors and Executive Officers of the Corporation collectively own, control or direct, directly or indirectly, 18,197,501 Common Shares (or 1.99% of the Common Shares issued and outstanding), as of December 31, 2025.

Additional information regarding the Directors and Executive Officers of the Corporation is set out below:

Scott White – Chairman

Scott White is Chairman of the Corporation and Partner of CEO Coaching International. He previously served as Chief Executive Officer of the Corporation from January 9, 2017 through April of 2024. Mr. White was previously an executive vice president with HealthLease Properties Real Estate Investment Trust. Prior to joining HealthLease Properties Real Estate Investment Trust, Mr. White spent over 15 years on Wall Street. He has almost 30 years of investment banking, accounting, real estate, and capital markets experience. Mr. White served as a senior vice president at Brookfield Asset Management, where he was responsible for raising capital for various alternative asset vehicles across real estate, private equity, and infrastructure. His career experience also includes tenure as director and head of deal management at Citigroup's alternatives distribution group. At Citigroup, he advised clients on alternative capital raising activities in private equity, real estate, hedge and infrastructure funds. Before focusing his career on alternative assets, he was part of the health care group at Citi's Investment Bank, working with clients in the health care sector on M&A and capital raising assignments. He began his career in public accounting as an auditor for PricewaterhouseCoopers. Mr. White earned a bachelor's degree with highest honors in political science and journalism from Rutgers University. He received his master's in business

administration from Rutgers Graduate School of Management and his law degree from the University of Pennsylvania Law School. He is a certified public accountant (inactive) and admitted to the bars of New York and New Jersey (retired).

Brad Benbow – Director

Brad Benbow is the Chairman & CEO of national growth firm Prolific, a two-time Ernst & Young Entrepreneur of the Year finalist, and an Indiana 250 honoree. As a nationally recognized growth strategist with over 40 years of marketing and revenue experience, he has co-founded several successful businesses, including JDA Worldwide, Conquer, and Rutter Communications. He has also co-authored Spiritographics, a book that helps executives reach an often-overlooked segment of American consumers. Throughout his career, Mr. Benbow has served as a trusted advisor to some of the fastest-growing companies in the United States, and continues to help growth-minded leaders drive revenue and elevate impact in an increasingly competitive market.

Adlai Chester – Director and Chief Executive Officer

Adlai Chester is the Chief Executive Officer of the Corporation, responsible for the day-to-day operations and overall strategic direction. Prior to assuming the Chief Executive Officer role in April of 2024, Mr. Chester held the Chief Financial Officer and Chief Investment Officer roles within the Corporation. Adlai has 20 years of finance, real estate, investment, development and capital markets experience. He began his career in public accounting as an auditor. He then served as the chief financial officer for a telecommunications company, where he was instrumental in the sale of one of its most profitable divisions to Comcast. Adlai became the chief financial officer of Mainstreet Property Group in 2009, where he led the effort to take a portfolio of real estate public in 2012 (HealthLease Properties Real Estate Investment Trust). Over a two-year period, the portfolio grew from \$250 Million in assets to approximately \$1 Billion. He negotiated the sale of the portfolio in 2014 in a \$2.3 Billion transaction.

Quinn Haselhorst – Chief Financial Officer

Quinn Haselhorst assumed the Chief Financial Officer role of the Corporation in April 2024 and is responsible for the financial oversight and accounting policies of the Corporation. Additionally, Mr. Haselhorst sources and manages the company's debt. He began his career in public accounting with Ernst & Young, serving clients in the manufacturing industry. He then transitioned into corporate accounting and subsequently started with Invesque prior to the Corporation's IPO in 2016. Mr. Haselhorst has served as Portfolio Manager, Investments, Vice President of Finance, and Senior Vice President prior to his current role. Mr. Haselhorst graduated with a bachelor's degree in accounting and entrepreneurship from the University of Dayton. He holds a master's degree in accountancy from the University of Notre Dame. He is a certified public accountant and a member of the Indiana CPA Society.

Shaun Hawkins – Director

Shaun Hawkins is Managing Partner at Pier 70 Ventures, a healthcare-focused venture fund. He previously founded the ProSyte Companies, a diversified holding entity investing in healthcare businesses and real estate. From 2012 until his departure in 2015, Mr. Hawkins was vice president of new ventures and private equity investing at Eli Lilly and Company. In this capacity, Mr. Hawkins was responsible for Eli Lilly and Company's venture capital, private equity and venture formation activities, managing over \$1.4 billion. Mr. Hawkins joined Eli Lilly and Company in 2001 and held various roles in sales and corporate business development at the corporation. In 2010, Mr. Hawkins was promoted to chief diversity officer to lead the development and implementation of Eli Lilly and Company's global diversity and inclusion strategy. Mr. Hawkins graduated magna cum laude with a bachelor's degree in business from the University of Tennessee in 1995 and earned a master's degree in business administration from the Kellogg School of Management at Northwestern University in 2000. He was previously the Chair of the board of directors of Audion Therapeutics, B.V. and Muroplex Therapeutics Inc. as well as a member of the board of directors of Accelerator Corporation, Immuneworks Inc., and Zymeworks Inc. He was also a member of the limited

partner advisory committees of BioCrossroads' Indiana Enterprise Fund, Epidarex Capital, Indiana Future Fund/INext Fund and TVM Capital.

Gail Steinel – Lead Independent Director

Gail Steinel is the owner of Executive Advisors (2007-present), a business that provides consulting services to chief executives and senior officers and leadership seminars/speeches to various organizations. Prior to creating her own consulting firm, Ms. Steinel was the Executive Vice President of Global Commercial Services of Bearing Point and the global managing partner for Arthur Andersen's Business Consulting Practice after beginning her career as an auditor at Arthur Andersen. Ms. Steinel's public company board service experience includes Federal Realty Investment Trust (2006-present) and prior service at MTS Systems Corporation (2009-2020). In addition to her public board service, Ms. Steinel also serves on the boards of DAI, an international development company, and the Center for Hope & Safety, a nonprofit. Ms. Steinel is a certified public accountant (inactive) that brings to our Board over 35 years of experience in auditing, leadership, leadership development and financial systems.

Cease Trade Orders

No Director or Executive Officer of the Corporation is, as at the date of this Annual Information Form, or has been within the ten years prior to the date of this Annual Information Form, (a) a Director, Chief Executive Officer or Chief Financial Officer of any company that was subject to an order that was issued while the Director or Executive Officer was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer, or (b) a Director, Chief Executive Officer or Chief Financial Officer of any company that was subject to an order that was issued after the Director or Executive Officer ceased to be a Director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

No Director, Executive Officer of the Corporation or, to the best of the Corporation's knowledge, Shareholder holding a sufficient number of the Corporation's securities to affect materially the control of the Corporation, is, as at the date of this Annual Information Form, or has been within the ten years prior to the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Director, Executive Officer of the Corporation or, to the best of the Corporation's knowledge, Shareholder holding a sufficient number of the Corporation's securities to affect materially the control of the Corporation, has, within the ten years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

No Director, Executive Officer of or, to the best of our knowledge, Shareholder holding a sufficient number of the Common Shares to materially affect control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other

penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Certain of the Directors and Executive Officers are engaged in and will continue to be engaged in corporations or businesses which may be in competition with our business. Accordingly, situations may arise where some of the Directors or Executive Officers of the Corporation will be in direct competition with the Corporation. See “*Risk Factors*”

Conflicts of interest will be subject to the applicable provisions of the BCBCA and may result in a Director declaring their interest in and abstaining from voting on a resolution in order to have the matter resolved by Directors with no conflicts of interest, or the matter may be presented to the holders of Common Shares for ratification. Under the BCBCA, the Directors must act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances. In addition, the charter of the Board provides that a Director shall promptly inform the Chair of the Board and shall refrain from voting or participating in discussion of the matter of which they have an actual or potential conflict of interest. Pursuant to our Related Party Transaction Policy, all Related Party Transactions (as defined in the Related Party Transaction Policy) must be reviewed and approved or ratified by the Board.

AUDIT COMMITTEE

Audit Committee

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, substantially in the form set out under Appendix A to this Annual Information Form, which sets out the Audit Committee’s responsibilities. It is expected that the Audit Committee’s responsibilities will include: (i) reviewing the Corporation’s procedures for internal control with the Corporation’s auditors and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the Corporation’s AIF and Management’s discussion and analysis; (iv) assessing the Corporation’s financial and accounting personnel; (v) assessing the Corporation’s accounting policies; (vi) reviewing the Corporation’s risk management procedures; (vii) reviewing any significant transactions outside the Corporation’s ordinary course of business and any pending litigation involving the Corporation; (viii) overseeing the work and reviewing of the independence of the external auditors; and (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by Management.

Members and Relevant Education and Experience

As of December 31, 2025, the Audit Committee consisted of Gail Steinel (Chair), Brad Benbow and Shaun Hawkins, all of whom are persons determined by the Corporation to be both Independent Directors and financially literate within the meaning of National Instrument 52-110 – *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The following is a summary of the education or experience of each member of the Audit Committee that is relevant to the performance of their responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the Corporation to prepare its financial statements.

Gail Steinel currently serves as the audit committee Chairperson. Ms. Steinel currently serves as a consultant for Executive Advisors, Inc. and has previously served as Global Managing Partner – Business Consulting for Arthur Andersen LLP and as Executive Vice President of Global Commercial Services for BearingPoint. Ms. Steinel also serves as the audit committee Chairperson and independent director for Federal Realty Investment Trust and has previously held the position of audit committee Chairperson and independent director of other publicly traded companies. In these roles, she has accumulated extensive financial statement and reporting expertise and meets the criteria of a financial expert. Ms. Steinel received her bachelor’s degree in accounting from Rutgers University and is a Certified Public Accountant.

Brad Benbow is the Chairman and Chief Executive Officer of Prolific. He is a nationally recognized growth strategist and regularly advises some of the fastest growing organizations in the U.S. Mr. Benbow also co-founded Prolific companies JDA Worldwide and Conquer. Mr. Benbow has over 40 years of revenue, media, and marketing experience. A Wabash College graduate with a degree in economics, Mr. Benbow started his career with Ackerman & McQueen in Dallas, Texas, and went on to co-founded Rutter Communications Network, the leading cable advertising rep firm in the U.S., before selling the firm to Comcast in 2005.

Shaun Hawkins graduated magna cum laude with a bachelor’s degree in business from the University of Tennessee in 1995 and earned a master’s degree in business administration from the Kellogg School of Management at Northwestern University in 2000. Mr. Hawkins was the previous board Chair for Audion Therapeutics B.V. (Netherlands) and Muroplex Therapeutics Inc. as well as a board member of Accelerator Corporation, Immuneworks, and Zymeworks Inc. Mr. Hawkins is Managing Partner at Pier 70 Ventures, a healthcare-focused venture fund, and the previous founder of the ProSyte Companies, a diversified holding entity investing in healthcare businesses and real estate.

External Auditor Service Fees

The Audit Committee has direct communication channels with the Chief Financial Officer and the external auditors of the Corporation to discuss and review such issues as the Audit Committee may deem appropriate.

The following table presents, by category, the fees paid or payable to KPMG, LLP as the external auditors of, and for other services provided to, the Corporation, for the period indicated. The holders of Common Shares have previously approved the appointment of KPMG, LLP as auditors of the Corporation.

Category of Fees	Fiscal year ended	Fiscal year ended
	December 31, 2025 (in \$000’s)	December 31, 2024 (in \$000’s)
Audit Fees ⁽¹⁾	\$737	\$938
Audit-Related Fees	-	-
Tax Fees ⁽²⁾	\$349	\$303
All Other Fees	-	-

Notes:

(1) “Audit Fees” relate to the aggregate fees billed by KPMG, LLP for the annual audit of the Corporation’s financial statements, interim reviews performed during the year and other related audit services

(2) “Tax Fees” relate to the aggregate fees billed by KPMG, LLP primarily related to Canadian income tax compliance services

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The nature of the Corporation’s business exposes it, its properties and its operating joint ventures to the risk of litigation and other claims from time to time in the ordinary course of business. The Corporation is

not presently subject to any material legal proceedings nor, to its knowledge, are any material legal proceedings threatened against the Corporation.

Since the commencement of the financial year ended December 31, 2025, there have been no:

- (a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; or
- (b) settlement agreements the Corporation entered into with a court relating to securities legislation or with a securities regulatory authority.

There have been no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF (including, without limitation, those transactions with the Funds Manager described under “General Development of the Business”), there are no material interests, direct or indirect, of the Directors or Executive Officers of the Corporation, any Shareholder that beneficially owns more than 10% of the Common Shares or any associate or affiliate of any of the foregoing persons in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the transfer agent and registrar for the Common Shares at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material agreements that are in effect as of the date hereof, other than contracts entered into in the ordinary course of business:

- (a) the IRA; and
- (b) the A&R RRA.

Copies of the foregoing documents are available on the Corporation’s profile SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

KPMG LLP, Chartered Professional Accountants, located in Toronto, Ontario, are our auditors and are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information may be found on our profile on SEDAR+ at www.sedarplus.ca.

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of Common Shares and securities authorized for issuance under equity compensation plans, as applicable, are contained in our management information circular that will be filed in respect of the annual meeting of the Corporation currently expected to be held on June 17, 2026.

Additional financial information is provided in our audited consolidated financial statements and MD&A for the most recently completed financial year. A copy of such documents can be found on SEDAR+ at www.sedarplus.ca.

GLOSSARY OF TERMS

In this Annual Information Form, the following terms will have the meanings set out below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

“2025 Debentures” means the subordinated convertible debentures issued by the Corporation on December 16, 2016, in the aggregate principal amount of approximately \$45.0 Million and initially due January 21, 2022, as amended.

“2026 Debentures” means the subordinated convertible debentures issued by the Corporation on August 15, 2018, in the aggregate principal amount of approximately \$50.0 Million and initially due September 30, 2023, as amended.

“2027 Debentures” means the 9.75% subordinated convertible debentures issued by the Corporation on December 30, 2024, in the aggregate principal amount of approximately \$27.3 Million and due December 30, 2027.

“A&R RRA” has the meaning given to it under “General Development of the Business” – “Preferred Share Exchange”.

“Affiliate” has the meaning given to it in Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

“AFFO” has the meaning given to it under “*Non-IFRS Measures*”.

“AL” means assisted living.

“Annual Information Form” or **“AIF”** means this annual information form.

“Audit Committee” means the audit committee of the Board.

“BCBCA” means the *Business Corporations Act* (British Columbia), as amended, supplemented, modified, replaced or restated from time to time.

“Board” means the Board of directors of the Corporation.

“CAGR” means compound annual growth rate.

“Class A Shares” means the Class A shares in the capital of the Corporation.

“CMS” means the United States Center for Medicare and Medicaid Services.

“Common Shares” means the common shares in the capital of the Corporation.

“Commonwealth” means Commonwealth Senior Living LLC, a Delaware limited liability company.

“CON” means Certificate of Need.

“Consolidation” means the consolidation of outstanding Common Shares and Non-Voting Shares on the basis of one post-consolidation Common Share for every 250 pre-consolidation Common Shares and one post-consolidation Non-Voting Share for every 250 pre-consolidation Non-Voting Shares, which was effected on June 2, 2016.

“**Corporation**” means Invesque Inc.

“**CPI**” means the Consumer Price Index.

“**Debenture Exchange**” has the meaning given to it under “General Development of the Business” – “Debenture Exchange”.

“**Directors**” means the directors of the Corporation and “**Director**” means any one of them.

“**DOJ**” means the United States Department of Justice.

“**Exchange Agreement**” has the meaning given to it under “*General Development of the Business – Preferred Shares Exchange*”.

“**Executive Officers**” means Adlai Chester and Quinn Haselhorst.

“**FAD Rules**” means the provisions in the Tax Act affecting foreign-controlled corporations that are resident in Canada and that make various forms of direct and indirect “investments” in foreign corporations that are, or after the investment and as part of a transaction or event or series of transactions or events that includes the making of the investment become, “foreign affiliates” of the Canadian-resident Corporation.

“**FAPI**” means foreign accrual property income, as defined in the Tax Act.

“**Funds**” means certain funds managed by the Funds Manager.

“**Funds Manager**” means Magnetar Financial LLC.

“**IFRS**” means International Financial Reporting Standards issued by the International Accounting Standards Committee.

“**IL**” means independent living.

“**Independent Director**” means a Director who is independent, pursuant to NI 58-201.

“**IRA**” has the meaning given to it under “*General Development of the Business – Preferred Shares Exchange*”.

“**IRS**” means Internal Revenue Service.

“**IVQ U.S.**” means Invesque US Holdings, Inc.

“**JV**” means joint venture arrangement.

“**LTC**” means long-term care facility, as may also be referred to, depending on the jurisdiction, as residential complex care, supportive living private hospital, personal care home or nursing home.

“**M&A**” means mergers and acquisitions.

“**Mainstreet**” means Mainstreet Investment Company LLC, together with its affiliates.

“**MCA Portfolio**” means three memory care communities located in Texas and Arkansas and originally operated by Memory Care America LLC. This portfolio is now managed by Chapters Living.

“**MD&A**” means the Corporation’s management discussion and analysis.

“**NI 58-201**” means National Instrument 58-201 – *Corporate Governance Guidelines*.

“**OIG**” means the Office of Inspector General of the Department of Health and Human Services.

“**PIK**” means payment in kind.

“**Preferred Share Exchange**” has the meaning given to it under “*General Development of the Business – Preferred Shares Exchange*”.

“**Preferred Shares**” means the multiple series of class A convertible preferred shares issued or issuable to the Funds Manager.

“**SEDAR+**” means System for Electronic Document Analysis and Retrieval+.

“**Series 1 Preferred Shares**” means the class A, series 1 convertible preferred shares in the capital of the Corporation.

“**Series 2 Preferred Shares**” means the class A, series 2 convertible preferred shares in the capital of the Corporation.

“**Series 3 Preferred Shares**” means the class A, series 3 convertible preferred shares in the capital of the Corporation.

“**Series 4 Preferred Shares**” means the class A, series 4 convertible preferred shares in the capital of the Corporation.

“**Shareholders**” means the holders of Shares.

“**Shares**” means, collectively, Common Shares, Non-Voting Shares and Class A Shares (including the Preferred Shares).

“**SNF**” means skilled nursing facility.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Treaty**” means the Canada-United States Tax Convention (1980), as amended.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

APPENDIX A

CHARTER OF THE AUDIT COMMITTEE (the “Charter”)

1. General

A. Purpose

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Invesque Inc. (the “**Corporation**”). The members of the Committee and the Chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Corporation’s financial controls and reporting and monitoring whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

The Committee should be comprised of a minimum of three directors and a maximum of five directors.

- (1) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”).
- (2) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of their independent judgment as a member of the Committee.
- (3) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.
- (4) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements).
- (5) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by Management of the Corporation (“**Management**”) as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of

the Corporation represented to them by a member of Management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the Corporation and shall meet within 90 days following the end of the fiscal year of the Corporation. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of Management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with Management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with the Corporation's Management quarterly in connection with the Corporation's interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Financial Disclosure

- (1) Review, approve and recommend for Board approval the Corporation's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related Management's Discussion & Analysis and press release.
- (2) Review, approve and recommend for Board approval the Corporation's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related Management's Discussion & Analysis and press release.
- (3) Review and approve any other press releases that contain financial information and such other financial information of the Corporation provided to the public or any governmental body as the Committee requires.

- (4) Satisfy itself that adequate procedures have been put in place by Management for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the related Management's Discussion & Analysis.
- (5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (6) Receive periodically Management reports assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures.

B. Internal Control

- (1) Review Management's process to identify and manage the significant risks associated with the activities of the Corporation.
- (2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.
- (3) Have the authority to communicate directly with the internal auditor.
- (4) Receive periodically Management reports assessing the adequacy and effectiveness of the Corporation's internal control systems.
- (5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with Management and the external auditors and assess whether recommendations made by the external auditors have been implemented by Management.

C. Relationship with the External Auditor

- (1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (2) Have the authority to communicate directly with the external auditor, arrange for the external auditor to be available to the Committee and the Board as needed and oversee the work of the external auditor.
- (3) Advise the external auditor that it is required to report to the Committee, and not to Management.
- (4) Monitor the relationship between Management and the external auditor, including reviewing any Management letters or other reports of the external auditor, discussing any material differences of opinion between Management and the external auditor and reviewing and resolving disagreements between the external auditor and Management.
- (5) If considered appropriate, establish separate systems of reporting to the Committee by each of Management and the external auditor.
- (6) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Corporation, Management or employees that might interfere with the independence of the external auditor.

- (7) Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws) to be provided by the external auditor.
- (8) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (9) Periodically consult with the external auditor out of the presence of Management about (a) any significant risks or exposures facing the Corporation, (b) internal controls and other steps that Management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Corporation, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (10) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Corporation.

D. Audit Process

- (1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (2) Following completion of the annual audit and quarterly reviews, review separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (3) Review any significant disagreements among Management and the external auditor in connection with the preparation of the financial statements.
- (4) Where there are significant unsettled issues between Management and the external auditor that do not affect the audited financial statements, seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (5) Review with the external auditor and Management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (6) Review the system in place to seek to ensure that the financial statements, Management's Discussion & Analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Processes

- (1) Review the integrity of the Corporation's financial reporting processes, both internal and external, in consultation with the external auditor.
- (2) Periodically consider the need for an internal audit function, if not present.
- (3) Review all material balance sheet issues, material contingent obligations and material related party transactions.

- (4) Review with Management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the external auditor's preferred treatment and any other material communications with Management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. General

- (1) Inform the Board of matters that may significantly impact the financial condition or affairs of the business.
- (2) Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
- (3) Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
- (4) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (5) Retain, at its discretion, independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.
- (6) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives.
- (7) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Complaint Procedures

- (1) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair of the Committee will have the power and authority to oversee the treatment of such complaints.
- (2) Complaints are to be directed to the attention of the Chair of the Committee.
- (3) The Committee should endeavor to keep the identity of the complainant confidential.
- (4) The Chair of the Committee will have the power and authority to lead the review and investigation of a complaint. The Committee should retain a record of all complaints received. Corrective action may be taken when and as warranted.