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

INVESQUE INC.

Three and Nine Month Periods Ended September 30, 2026 and 2025
(Unaudited)

INVESQUE INC.

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

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash	$ 43,702	$ 39,334
Tenant and other receivables (note 2)	1,647	2,108
Loans receivable (note 3)	2,134	666
Other assets (note 4)	961	1,470
	48,444	43,578
Non-current assets:		
Loans receivable (note 3)	12,907	15,973
Investments in joint ventures (note 6)	17,139	45,191
Property, plant and equipment, net (note 5)	24,512	25,532
Other assets (note 4)	528	760
	55,086	87,456
Total assets	$ 103,530	$ 131,034
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 836	$ 2,379
Accrued real estate taxes	422	437
Mortgages payable (note 7)	6,109	—
Other liabilities (note 8)	306	494
	7,673	3,310
Non-current liabilities:		
Mortgages payable (note 7)	—	6,072
Debentures	—	27,300
Other liabilities (note 8)	—	71
	—	33,443
Total liabilities	7,673	36,753
Shareholders' equity:		
Common share capital	596,065	596,065
Contributed surplus	25,418	25,418
Exchangeable units	867	867
Cumulative deficit	(526,594)	(528,182)
Accumulated other comprehensive income	101	113
Total shareholders' equity	95,857	94,281
Subsequent event (notes 3 and 13)		
Total liabilities and shareholders' equity	$ 103,530	$ 131,034

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue:				
Tenant rental revenue (note 9)	$ —	$ 1,447	$ —	$ 9,545
Resident rental and related revenue (note 9)	2,588	3,704	7,409	57,761
Lease revenue from joint venture arrangements	—	1,230	—	3,509
Other revenue	259	177	694	2,683
	2,847	6,558	8,103	73,498
Interest income from loans receivable	319	327	1,014	877
Expenses (income) and fair value adjustments:				
Direct property operating expenses (note 10)	2,402	3,254	7,102	43,722
Depreciation expense (note 5)	341	384	1,086	1,186
Net finance costs from operations (note 11)	124	3,506	536	19,196
Real estate property tax expense	—	(1,155)	—	1,923
Real estate property tax expense - IFRIC 21	110	118	(107)	(128)
General and administrative expenses (note 12)	1,046	1,271	3,993	10,201
Transaction costs	105	1,396	122	3,166
Allowance for expected credit losses, net of recoveries (note 11)	(17)	2,333	(15)	4,240
Loss (recovery) on financial guarantee (note 15)	(3,250)	—	1,750	—
Change in non-controlling interest liability	—	24	—	(4)
Change in fair value of investment properties - IFRIC 21	—	1,468	—	—
Change in fair value of investment properties	—	19,935	—	34,884
Impairment of property, plant and equipment	—	44	—	65
Change in fair value of financial instruments (note 11)	—	(113)	—	818
Change in fair value of profit participation investment	—	—	(97)	—
Loss (gain) on dispositions of property, plant and equipment	—	682	96	(29,641)
	861	33,147	14,466	89,628
Share of net income (loss) from joint ventures (note 6)	(692)	(6,558)	6,937	(10,477)
Income (loss) before income taxes	1,613	(32,820)	1,588	(25,730)
Income tax recovery (expense)	—	—	—	—
Net income (loss) from continuing operations	$ 1,613	$ (32,820)	$ 1,588	$ (25,730)
Net loss from discontinued operations	—	(344)	—	(430)
Net income (loss)	1,613	(33,164)	1,588	(26,160)
Other comprehensive loss:				
Items to be reclassified to net income (loss) in subsequent periods				
Unrealized gain (loss) on translation of foreign operations	(2)	(862)	(12)	1,575
	(2)	(862)	(12)	1,575
Total comprehensive income (loss)	$ 1,611	$ (34,026)	$ 1,576	$ (24,585)
Income (loss) from continuing operations per share:				
Basic and diluted	$ 0.00	$ (0.04)	$ 0.00	$ (0.03)
Income (loss) per share:				
Basic and diluted	$ 0.00	$ (0.04)	$ 0.00	$ (0.03)

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in thousands of U.S. dollars)
Nine months ended September 30, 2026 and 2025

	Common share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2026	$ 596,065	$ 25,418	$ —	$ 867	$ (528,182)	$ 113	$ 94,281
Net income	—	—	—	—	1,588	—	1,588
Other comprehensive loss	—	—	—	—	—	(12)	(12)
Balance, September 30, 2026	$ 596,065	$ 25,418	$ —	$ 867	$ (526,594)	$ 101	$ 95,857

	Common share capital	Contributed surplus	Equity component of convertible instruments	Exchangeable units	Cumulative deficit	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2025	$ 599,827	$ 25,418	$ 2,094	$ 867	$ (502,536)	$ (3,580)	$ 122,090
Net loss	—	—	—	—	(26,160)	—	(26,160)
Other comprehensive income	—	—	—	—	—	1,575	1,575
Sale of Foxhound portfolio	—	—	(2,094)	—	2,094	—	—
Common shares issued on settlement of awards granted under the deferred share incentive plan	38	—	—	—	—	—	38
Balance, September 30, 2025	$ 599,865	$ 25,418	$ —	$ 867	$ (526,602)	$ (2,005)	$ 97,543

See accompanying notes to these condensed consolidated interim financial statements.

INVESQUE INC.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
(Expressed in thousands of U.S. dollars)
Nine months ended September 30, 2026 and 2025

		Nine months ended September 30, 2026		Nine months ended September 30, 2025
Cash flows used in operating activities:				
Net income (loss)	$	1,588	$	(26,160)
Items not involving cash and other adjustments:				
Change in fair value of investment properties		—		35,135
Change in fair value of financial instruments (note 11)		—		818
Change in fair value of profit participation investment		(97)		—
Impairment of property, plant and equipment		—		65
Depreciation expense (note 5)		1,086		1,186
Allowance for expected credit losses (note 11)		(15)		4,240
Straight-line rent		—		(281)
Amortization of tenant inducements		—		141
Net finance costs from operations (note 11)		536		19,406
Gain on loan exchange and amendment		—		—
Loss on financial guarantee (note 15)		1,750		—
Change in non-controlling interest		—		(4)
Loss (gain) on property, plant and equipment dispositions (note 5)		96		(29,641)
Share of net (income) loss from joint ventures (note 6)		(6,937)		10,477
Transaction costs arising from dispositions		122		3,166
Interest income from loans receivable		(1,014)		(877)
Interest paid		(498)		(23,098)
Interest income received		1,049		265
Change in non-cash operating working capital:				
Tenant and other receivables		500		2,285
Accounts payable and accrued liabilities		(1,554)		(2,916)
Deferred revenue		(67)		(1,675)
Other assets		363		796
Other liabilities		(162)		(2,666)
Accrued real estate taxes		(16)		(2,844)
Cash used in operating activities	$	(3,270)	$	(12,182)
Cash flows used in financing activities:				
Payments on credit facilities	$	—	$	(219,686)
Debt issuance costs paid		—		(126)
Proceeds from mortgages		—		6,133
Repayments of mortgages		—		(134,539)
Prepayment fees on early settlement		—		(1,516)
Repayment of lease liabilities		(32)		(252)
Redemption of debentures		(27,300)		—
Payment for interest rate swap contract		—		(359)
Payment for settlement of interest rate swap contract		—		(132)
Cash used in financing activities	$	(27,332)	$	(350,477)
Cash flows from investing activities:				
Additions to investment properties	$	—	$	(292)
Proceeds from dispositions of investment properties (note 6)		—		19,569
Additions to property, plant and equipment		(184)		(2,319)
Proceeds from dispositions of assets held for sale		—		360,628
Transaction costs arising from dispositions		(120)		(3,166)
Distributions from joint ventures (note 6)		36,162		1,403
Contributions to joint ventures (note 6)		(712)		(15,611)
Distributions to non-controlling interest partners		—		(368)
Loss on financial guarantee (note 15)		(1,750)		—
Issuance of loans receivable		(178)		(1,535)
Receipts from loans receivable		1,752		601
Cash provided by investing activities	$	34,970	$	358,910
Increase (decrease) in cash		4,368		(3,749)
Cash, beginning of period		39,334		18,157
Cash, end of period	$	43,702	$	14,408

See accompanying notes to these condensed consolidated interim financial statements.

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

The Company currently owns a portfolio of North American income generating seniors housing and care properties. The Company's remaining investment property portfolio includes investments in assisted living, memory care and independent living properties, which are operated under management contracts or joint venture arrangements with operating partners. The Company's consolidated portfolio includes investments in owner-occupied seniors housing properties where Invesque Inc. owns the real estate and the operations and where the operations are outsourced under management contracts to third party management companies.

At September 30, 2026, the Company owned interests in a portfolio of four health care and senior living properties of the type noted above. The portfolio is comprised of three consolidated owner-occupied properties and partial interests in one investment property held through a joint venture. The Company also maintains a loans receivable investment portfolio with various third parties connected to previous asset sales and other transactions involving the Company.

Shareholder resolution

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

Take private arrangement

On October 1, 2026, the Company entered into an arrangement agreement with an entity managed by Magnetar Financial LLC ("Magnetar"). Pursuant to the agreement, Magnetar will acquire all of the issued and outstanding common shares in the capital of the Company (other than substantially all the shares currently held by funds managed by Magnetar) at a price of US$0.101 per share. Upon the completion of the arrangement, all of the common shares of the Company will be owned by funds managed by Magnetar.

The arrangement is structured as a plan of arrangement pursuant to Division 5 of Part 9 of the Business Corporations Act (British Columbia) and will, among other conditions, require the approval of: (i) the Supreme Court of British Columbia, and (ii) the shareholders of the Company at a special meeting of shareholders to be held by the Company on November 16, 2026, by (a) at least two-thirds of the votes cast on the arrangement resolution by shareholders present in person or represented by proxy at the special meeting; and (b) as required by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), not less than a simple majority of the votes cast on the arrangement resolution by shareholders present in person or represented by proxy at the special meeting, excluding votes held by funds managed by Magnetar and owned or controlled by members of management deemed to be interested parties in the arrangement. The arrangement is expected to be completed as soon as practical following the special meeting.

Upon completion of the arrangement, the Company will apply to no longer be subject to the reporting requirements of applicable Canadian securities legislation, and its shares will be delisted from the TSX. In the event the arrangement is not approved, the Company expects to continue operating in its current public form.

1. Basis of preparation:

Statement of compliance:

Commencing as of the first quarter of 2026, Management has determined that the Company no longer has multiple operating segments and is now a single operating segment, being the Company as a whole. This is consistent with how the Chief Operating Decision Maker currently oversees and manages the business in terms of allocating resources and assessing business performance. As such, the Company will no longer include the operating segment disclosures prospectively.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board. All of the Company's subsidiaries and joint ventures apply and adhere to the same accounting policies.

The Company's accounting policies and methods of application, basis of measurement, and functional and presentation currency remain unchanged as compared to those applied in the annual consolidated financial statements as at and for the years ended December 31, 2025 and 2024.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company and authorized for issuance on November 10, 2026.

2. Tenant and other receivables:

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

	September 30, 2026	December 31, 2025
Tenant and real estate receivables, gross	$ 4,022	$ 4,236
Allowance for uncollectible receivables	(2,375)	(2,128)
Tenant and other receivables, net	$ 1,647	$ 2,108

The movement in the allowance in respect of tenant and other receivables during the nine months ended September 30, 2026 was as follows:

Balance, December 31, 2025	$ 2,128
Remeasurement of allowance related to tenant receivables and other receivables	247
Fully reserved amounts written-off	—
Collections — recoveries	—
Balance, September 30, 2026	$ 2,375

The Company determines estimated allowances on a tenant-by-tenant basis and considers tenant payment history, past recovery and default experiences, actual and expected insolvency filings, tenant abandonment and certain tenant disputes, as applicable.

3. Loans receivable:

Loans receivable issued and outstanding as at September 30, 2026 and December 31, 2025 are detailed in the table below:

Debtor	September 30, 2026	December 31, 2025	Issued Date	Maturity Date	Current Annual Interest Rate	Payment -in-kind Annual Interest Rate
Symcare ML, LLC [1]	2,856	2,856	June 1, 2023	February 29, 2024	— %	10.0 %
Memory Care America, LLC	3,893	3,893	March 31, 2023	July 31, 2025	10.0 %	— %
Constant Care Management Co., LLC	541	581	January 31, 2024	December 31, 2026	10.0 %	— %
CCG Quartette Falls, LLC [2]	1,562	1,562	September 23, 2024	September 22, 2027	8.0 %	— %
CCG Quartette Falls, LLC [2]	1,636	1,636	August 15, 2025	August 14, 2028	8.0 %	— %
CCG Quartette Falls, LLC [2]	1,402	1,402	August 15, 2025	August 14, 2028	8.0 %	— %
Morrell Hulse	1,988	1,988	December 10, 2024	December 1, 2028	8.0 %	— %
Parker EREP HDG, LLC	—	1,534	May 16, 2025	[3]	12.0 %	— %
Parker EREP HDG, LLC	—	—	March 5, 2026	[7]	12.0 %	— %
Foxhound GSA Propco Holdings, LLC [4]	7,500	7,500	June 3, 2025	June 2, 2028	7.5 %	— %
Meteorite Camillus, LLC [5]	2,500	2,500	December 18, 2025	December 18, 2027	8.3 %	— %
Accrued current and non-current interest	953	992				
Allowance for expected credit losses on loans receivable	(9,790)	(9,805)				
Carrying value of loans recorded at amortized cost	$ 15,041	$ 16,639				
Javelina Ventures, LLC	—	—	December 31, 2018	[6]	5.0 %	— %
Carrying value of loans receivable	$ 15,041	$ 16,639				
Less current portion	2,134	666				
Non-current portion	$ 12,907	$ 15,973				

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

(2) These loans were issued as seller financing notes as part of sale transactions of skilled nursing facilities in Illinois that were completed in 2024 and 2025. The notes are unsecured but feature corporate guarantees by credit worthy affiliates of the debtor. The two notes maturing in August 2028 were repaid in full, including all accrued interest to date, by the debtor in October 2026.

(3) In 2025, the Company repaid 100% of a Terra Bluffs joint venture mezzanine loan, whereas the Company's obligation, consistent with its joint venture interest, was approximately 80% of the previously outstanding loan. The amount of the corresponding loan receivable represented the other venturer's portion of the settled mezzanine loan and was secured by pledges of the equity ownership held by the minority joint venture partners. The maturity date was the earlier of a refinancing of the senior loan (December 1, 2027) affiliated with the joint venture or a sale of the underlying property. The loan was repaid in full on August 3, 2026.

(4) As part of the sale of the Foxhound portfolio in 2025, the Company issued a $7,500 note to a real estate company owned by the buyer, bearing interest at 7.50% with a payment guarantee from Foxhound Holdings, LLC, a credit worthy counterparty.

(5) This loan is a first mortgage security loan that was issued in 2025 as seller financing in the sale of a medical office building previously owned by the Company.

(6) The repayment terms of this loan are pursuant to the Javelina Ventures Operating Agreement in which net available cash from operations and proceeds from property recapitalization will be used to repay the principal and accrued interest on this loan with no fixed maturity date. As of December 31, 2025 the Company assigned a $nil value to the loan as a result of a collectability assessment based on historical and forecasted operational performance trends at the underlying properties and uncertainty around the ability of Javelina Ventures to refinance its mortgage

(7) In March 2026, the Company funded 100% of a debt reserve required by the Terra Bluffs senior loan lender, whereas the Company's obligation, consistent with its joint venture interest, was approximately 80% of the reserve amount. The amount of the corresponding loan, which was $178, represented the other venturer's portion of the debt reserve and was secured by pledges of the equity ownership held by the minority joint venture partners. The maturity date was the earlier of a refinancing of the senior loan (December 1, 2027) affiliated with the joint venture, a sale of the underlying property, or the release of the amounts escrowed into the debt reserve with the lender. The loan was repaid in full on August 3, 2026.

Loans receivable and associated allowance for losses on loans receivable accounted for at amortized cost as at September 30, 2026 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Loans receivable, net of loan fees	$ 15,193	$ —	$ 9,638	$ 24,831
Allowance for losses on loans receivable	(152)	—	(9,638)	(9,790)
Loans receivable, net of allowances	$ 15,041	$ —	$ —	$ 15,041

The changes in the gross loans receivable balance during the nine months ended September 30, 2026 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total loans receivable as at December 31, 2025	$ 16,806	$ —	$ 9,638	$ 26,444
Loans receivable				
Transfer to/(from)				
Stage 1	—	—	—	—
Stage 2	—	—	—	—
Stage 3	—	—	—	—
	$ 16,806	$ —	$ 9,638	$ 26,444
Issuances	853	—	—	853
Repayments	(2,466)	—	—	(2,466)
Total loans receivable as at September 30, 2026	$ 15,193	$ —	$ 9,638	$ 24,831

The changes in the allowance for credit losses during the nine months ended September 30, 2026 are shown in the following table:

	Stage 1	Stage 2	Stage 3	Total
Total allowance for credit losses as at December 31, 2025	$ 167	$ —	$ 9,638	$ 9,805
Allowance for credit losses				
Remeasurement	(15)	—	—	(15)
Transfer to/(from)				
Stage 1	—	—	—	—
Stage 2	—	—	—	—
Stage 3	—	—	—	—
	$ 152	$ —	$ 9,638	$ 9,790
Repayments	—	—	—	—
Total allowance for credit losses as at September 30, 2026	$ 152	$ —	$ 9,638	$ 9,790

For the three and nine months ended September 30, 2026, losses of $(17) and $(15), respectively (three and nine months ended September 30, 2025 - losses of $1,676 and $1,676, respectively), were recorded as part of the remeasurement of the allowance for credit losses on loans and interest receivable in the condensed consolidated interim statements of income (loss) and comprehensive income (loss). The Company maintains a policy for stage 3 loans receivable whereby it assesses the expectation and likelihood of recovery for each loan to determine whether the gross carrying amount of the loan is to be completely written off. In this assessment the Company considers unique facts and circumstances of each loan, such as ongoing legal pursuits and historical collection efforts involving the counter-party under different circumstances. The Company makes the final determination based on the best available information at the time.

4. Other assets:

	September 30, 2026	December 31, 2025
Prepaid expenses	$ 477	$ 389
Escrow deposits held by lenders	206	337
Right-of-use assets	25	205
Bond assets	76	225
Profit participation investment	427	330
Other	278	744
	$ 1,489	$ 2,230
Current	$ 961	$ 1,470
Non-current	528	760
	$ 1,489	$ 2,230

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

5. Property, plant and equipment, net:

Property, plant and equipment consists of the following as at September 30, 2026 and December 31, 2025:

	Land	Buildings	Furniture, fixtures and equipment	Total
Cost				
Balance, December 31, 2025	$ 4,750	$ 22,433	$ 1,805	$ 28,988
Additions	—	26	158	184
De-recognition	—	—	(382)	(382)
Balance, September 30, 2026	$ 4,750	$ 22,459	$ 1,581	$ 28,790
Accumulated depreciation and impairment losses				
Balance, December 31, 2025	$ —	$ 2,504	$ 952	$ 3,456
Depreciation	—	694	392	1,086
De-recognition	—	—	(264)	(264)
Balance, September 30, 2026	$ —	$ 3,198	$ 1,080	$ 4,278
Property, plant and equipment, net balance, December 31, 2025	$ 4,750	$ 19,929	$ 853	$ 25,532
Property, plant and equipment, net balance, September 30, 2026	$ 4,750	$ 19,261	$ 501	$ 24,512

6. Joint arrangements:

As at September 30, 2026, the Company's joint arrangements are as follows:

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

(1) This joint venture arrangement has been structured through separate legal entities. The joint venture owns an interest in separate legal entities which own the real estate and related operations.

As of September 30, 2026, the Company has an interest in a seniors housing and care property, as detailed in the table above, in the United States in which it also owns an interest in the operations at that property through a joint arrangement. In this joint arrangement, the Company owns an interest in real estate and operations through separate legal entities at the property and has a management agreement in place to provide for the day-to-day operations resulting in joint control of the interests in both the real estate and operations. The joint arrangement is accounted for as a joint venture using the equity method, and the Company's share of net income (loss) is included in share of net income (loss) from joint ventures in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

On July 31, 2026, the Company sold a joint venture property operated by Health Dimensions Group ("HDG") for a sale price of $52,000. Sale proceeds in excess of closing costs were used to settle mortgages ($20,198) affiliated with the property, and a portion of the remaining proceeds was held back to cover any residual costs, while the majority was distributed to the joint venture owners. Loans receivable issued to Parker EREP HDG, LLC were repaid to the Company subsequent to the closing of the transaction (see note 3).

On August 10, 2026, the Company sold two properties associated with joint ventures operated by Heritage Senior Living ("Heritage") for a net sale price of $39,840. Sale proceeds in excess of closing costs were used to settle mortgages ($29,296) affiliated with the properties and retained by the joint ventures until final expenses are paid and distributions are made according to ownership percentages.

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Cash contributions to joint ventures	$ —	$ 6,803	$ 712	$ 15,611
Distributions received from joint ventures	$ 33,137	$ 46	$ 36,162	$ 1,403

The decrease in cash contributions to joint ventures in 2026 as compared to 2025 was primarily due to the sale of four properties in December 2025, three additional properties in July and August 2026, and less working capital needs for the remaining properties. The increase in distributions resulting from joint ventures in 2026 as compared to 2025 was primarily due to the net proceeds generated from the sale of four properties in December 2025 and three additional properties in July and August 2026.

	September 30, 2026		December 31, 2025	
	Net assets	Company share of net assets	Net assets	Company share of net assets
Cash	$ 3,595	$ 3,009	$ 5,772	$ 4,714
Tenant and other receivables	191	476	238	672
Other	1,017	813	2,056	1,306
Current assets	4,803	4,298	8,066	6,692
Investment properties	40,000	32,000	123,964	102,682
Investment properties held for sale	—	—	—	—
Other non-current assets	—	—	—	—
Total assets	$ 44,803	$ 36,298	$ 132,030	$ 109,374
Accounts payable and accrued liabilities	$ 1,677	$ 1,435	$ 3,441	$ 2,911
Deferred revenue	113	90	184	157
Mortgages payable - current	—	—	34,197	28,743
Current liabilities	1,790	1,525	37,822	31,811
Mortgages payable - non-current	21,726	17,381	37,728	31,790
Other non-current liabilities	317	253	710	582
Total liabilities	$ 23,833	$ 19,159	$ 76,260	$ 64,183
Net assets	$ 20,970	$ 17,139	$ 55,770	$ 45,191

	Three months ended September 30, 2026		Three months ended September 30, 2025	
	Net income at 100%	Company share of net income	Net loss at 100%	Company share of net loss
Revenue	$ 4,964	$ 4,154	$ 20,617	$ 11,390
Property operating expenses	3,711	3,102	17,298	9,147
Net finance costs	688	568	3,278	2,569
Real estate tax expenses	—	—	30	—
General and administrative expenses	—	—	17	1
Transaction costs	1,188	994	—	—
Change in fair value of financial instruments	—	—	(218)	(180)
Change in fair value of investment properties	42	33	12,749	6,411
Loss on sale of investment properties	86	149	—	—
Net loss	$ (751)	$ (692)	$ (12,537)	$ (6,558)

	Nine months ended September 30, 2026		Nine months ended September 30, 2025	
	Net income at 100%	Company share of net income	Net loss at 100%	Company share of net loss
Revenue	$ 20,004	$ 16,828	$ 58,552	$ 33,245
Property operating expenses	14,892	12,541	50,702	27,686
Net finance costs	3,158	2,648	8,766	7,110
Real estate tax expenses	—	—	30	—
General and administrative expenses	1	1	14	(1)
Transaction costs	1,213	1,015	470	299
Change in fair value of financial instruments	—	—	(218)	(180)
Change in fair value of investment properties	(7,699)	(6,387)	16,470	8,808
Loss (gain) on sale of investment properties	(6)	73	—	—
Net income (loss)	$ 8,445	$ 6,937	$ (17,682)	$ (10,477)

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

	September 30, 2026 Company share of net assets			
	JV Group #1	JV Group #2	JV Group #3	Total
Cash	$ 895	$ 1,445	$ 669	$ 3,009
Tenant and other receivables	316	147	13	476
Other	669	96	48	813
Current assets	1,880	1,688	730	4,298
Investment properties	—	32,000	—	32,000
Investment properties held for sale	—	—	—	—
Other non-current assets	—	—	—	—
Total assets	$ 1,880	$ 33,688	$ 730	$ 36,298
Accounts payable and accrued liabilities	$ 129	$ 1,306	$ —	$ 1,435
Deferred revenue	—	88	2	90
Mortgages payable - current	—	—	—	—
Current liabilities	129	1,394	2	1,525
Mortgages payable - non-current	—	17,381	—	17,381
Other non-current liabilities	—	253	—	253
Total liabilities	$ 129	$ 19,028	$ 2	$ 19,159
Net assets	$ 1,751	$ 14,660	$ 728	$ 17,139

	Three months ended September 30, 2026 Company share of net income (loss)			
	JV Group #1	JV Group #2	JV Group #3	Total
Revenue	$ —	$ 3,511	$ 643	$ 4,154
Property operating expense	9	2,525	568	3,102
Net finance costs	—	473	95	568
General and administrative expenses	—	—	—	—
Transaction costs	—	390	604	994
Change in fair value of investment properties	—	33	—	33
Loss (gain) on sale of investment properties	(450)	599	—	149
Net income (loss)	$ 441	$ (509)	$ (624)	$ (692)

	Nine months ended September 30, 2026 Company share of net income (loss)			
	JV Group #1	JV Group #2	JV Group #3	Total
Revenue	$ —	$ 12,904	$ 3,924	$ 16,828
Property operating expense	99	9,525	2,917	12,541
Net finance costs	—	1,980	668	2,648
General and administrative expenses	—	—	1	1
Transaction costs	20	391	604	1,015
Change in fair value of investment properties	—	688	(7,075)	(6,387)
Loss (gain) on sale of investment properties	(526)	599	—	73
Net income (loss)	$ 407	$ (279)	$ 6,809	$ 6,937

In the above tables, JV Group #1 represents the four joint ventures sold in December 2025. JV Group #2 represents three joint ventures under similar ownership and operated by Heritage, two of which were sold in August 2026. JV Group #3 represents a senior living and memory care facility in Colorado operated by HDG, which was sold in July 2026. For joint ventures where properties have been sold, the joint ventures remain in place until all liabilities are satisfied (including relevant indemnifications provided to buyers), tax returns are filed, and final distributions are made.

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

As of September 30, 2026, the Company, through its joint venture arrangements, used an internal valuation process to value its joint venture investment properties. The Company maintains a policy whereby third party appraisers are engaged to prepare valuations on a portion of the portfolio such that one third of the portfolio is valued externally each year, and every property in the portfolio is valued externally at least once every five years. Management considers, but does not rely on, the data used in external valuations for its internal valuation.

Acquired investment properties are initially measured at cost, including directly attributable acquisition costs, when the transactions are deemed to be asset acquisitions. Subsequent to initial recognition, investment properties are measured at fair value, determined based on available market evidence. The Company, through its joint venture arrangements, uses alternative valuation methods such as the direct capitalization income approach or the discounted cash flow approach (Level 3 inputs). The estimated fair value of investment properties reflects rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Capital expenditures include costs related to the physical properties (Company share of $98 and $212 for the three and nine months ended September 30, 2026, respectively) at the one remaining joint venture and the three joint ventures sold during the period.

As of September 30, 2026, the Company owns one investment property under a joint venture arrangement. The investment property is under contract to be sold. As such, the fair value of the investment property has been recorded at the expected contracted value. The Company considered the results of its discounted cash flow approach; however, the assessments were more heavily weighted to expected sale proceeds noted above for the period ended September 30, 2026.

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

		September 30, 2026		December 31, 2025
Mortgages at fixed rates:				
Mortgages (principal)	$	—	$	20,397
Interest rates		— %		6.99 %
Weighted average interest rate		— %		6.99 %
Mortgages at variable rates:				
Mortgages (principal)	$	21,890	$	52,262
Interest rates		SOFR plus 2.50%		SOFR plus 2.50% to SOFR plus 3.50%
Weighted average interest rate		6.25 %		6.56 %
Blended weighted average rate		6.25 %		6.68 %

Certain of the mortgages payable contain financial and non-financial covenants that are subject to quarterly and annual compliance assessments. At September 30, 2026, the Company was in compliance with all debt covenants. The Company expects to satisfy the mortgage covenant requirements in 2026 as stipulated.

7. Mortgages payable:

Mortgages payable consist of the following as at:

	September 30, 2026	December 31, 2025
Mortgages payable	$ 6,133	$ 6,133
Finance costs, net	(24)	(61)
Carrying value	$ 6,109	$ 6,072
Less current portion	6,109	—
Non-current portion	$ —	$ 6,072

The mortgages payable is a first charge mortgage secured and collateralized by property, plant and equipment with a carrying value of $9,396 at September 30, 2026. The mortgage payable is an interest-only loan with the principal due at maturity on April 10, 2027.

	September 30, 2026	December 31, 2025
Mortgages at variable rates:		
Mortgages (principal)	$ 6,133	$ 6,133
Interest rates	SOFR plus 3.50%	SOFR plus 3.50%
Weighted average interest rate	7.25 %	7.29 %
Weighted average interest rate	7.25 %	7.29 %

The Company's remaining mortgage payable at September 30, 2026 includes certain financial and non-financial covenants. The Company expects to satisfy the covenants under the mortgage as stipulated on a prospective basis until maturity.

8. Other liabilities:

Other liabilities are as follows:

	September 30, 2026	December 31, 2025
Deferred revenue	$ 48	$ 115
Lease liability	25	205
Working capital loans payable to a third party operator management company	233	217
Other	—	28
	$ 306	$ 565
Current	$ 306	$ 494
Non-current	—	71
	$ 306	$ 565

9. Revenue:

(a) Tenant Rental Revenue:

Tenant rental revenue consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Contractual rental revenue	$ —	$ 1,089	$ —	$ 7,468
Straight-line rent adjustments	—	43	—	282
Amortization of tenant inducements	—	—	—	(120)
Amortization of leasing commissions	—	2	—	(8)
Property tax recoveries	—	313	—	1,923
	$ —	$ 1,447	$ —	$ 9,545

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

(b) Resident rental and related revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Resident revenue	$ 2,433	$ 3,326	$ 6,987	$ 47,534
Service revenue [(1)]	155	378	422	10,227
	$ 2,588	$ 3,704	$ 7,409	$ 57,761

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

10. Direct property operating expenses:

Direct property operating expenses consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Repairs and maintenance	$ 184	$ 11	$ 446	$ 1,342
Utilities	135	200	345	1,982
Compensation and benefits	1,433	2,368	4,215	28,048
Other services and supplies	73	161	193	3,360
Administrative and marketing	48	91	184	4,110
Real estate taxes	—	25	395	1,122
Insurance	80	98	244	1,195
Other	449	300	1,080	2,563
	$ 2,402	$ 3,254	$ 7,102	$ 43,722

11. Net finance costs:

Net finance costs consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Interest expense on credit facilities	$ —	$ 253	$ —	$ 6,510
Interest expense on mortgages payable	112	997	336	5,973
Interest expense on debentures	—	—	163	—
Interest expense on convertible debentures	—	665	—	2,003
Interest expense on interest rate caps and swaps [(1)]	—	—	—	528
Dividends on Commonwealth preferred units	—	—	—	2,190
Amortization and accretion expense	12	576	37	1,730
Net income from interest rate swaps	—	—	—	(675)
Debt extinguishment costs	—	1,192	—	1,120
Amortization of mark-to-market debt adjustments	—	(177)	—	(183)
Net finance costs from operations	$ 124	$ 3,506	$ 536	$ 19,196
Allowance for credit losses on loans and interest receivable (note 3)	(17)	2,099	(15)	3,775
Allowance for credit losses on taxes and insurance receivable	—	234	—	465
Change in fair value of financial instruments	—	(113)	—	818
Change in non-controlling interest liability related to finance costs from operations	—	(13)	—	(39)
Total finance costs	$ 107	$ 5,713	$ 521	$ 24,215

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

12. General and administrative:

General and administrative expenses consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Compensation and benefits	$ 375	$ 315	$ 1,410	$ 6,712
Professional fees	381	637	1,172	1,791
Deferred share compensation expense	—	—	—	2
Insurance	110	133	376	433
Rent	13	37	38	252
Other	167	149	997	1,011
	$ 1,046	$ 1,271	$ 3,993	$ 10,201

For the nine months ended September 30, 2025, $4,560 of general and administrative expenses noted above, most of which were reflected as part of compensation and benefits, were incurred at Commonwealth Senior Living's management company.

13. Related party transactions:

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

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

On November 26, 2024, the Company announced the approval by holders of Common Shares of the exchange of certain funds (the "Exchanging Magnetar Funds") managed by Magnetar whereby Magnetar agreed to exchange the Company's class A convertible preferred shares held by it for 716,875,000 common shares of the Company (the “Preferred Share Exchange”). The closing date of the exchange, which was conditional on the successful closing of the convertible debenture modifications, was December 30, 2024. Based on the number of common shares outstanding as of the date hereof, following the convertible debenture amendments and the Preferred Share Exchange, Magnetar and the Exchanging Magnetar Funds collectively through several separate funds own approximately 80% of the Company's Common Shares.

On October 1, 2026, the Company entered into an arrangement agreement with an entity managed by Magnetar. Pursuant to the agreement, Magnetar will acquire all of the issued and outstanding common shares in the capital of the Company (other than substantially all the shares currently held by funds managed by Magnetar) at a price of US$0.101 per share. Upon the completion of the arrangement, the Company will become a wholly-owned subsidiary of an entity managed by Magnetar. See the Take private arrangement section, as described in the preamble to the notes above, for additional details.

14. Income taxes:

The income tax recovery in the condensed consolidated interim statements of income (loss) and comprehensive income (loss) differs from that expected by applying the combined federal, provincial and state income tax rates of 26.5% (2025 - 26.5%). The differences for the three and nine months ended September 30, 2026 and 2025 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net loss from continuing operations before income taxes	$ 1,613	$ (32,820)	$ 1,588	$ (25,730)
Income tax expense (recovery) at Canadian tax rate	428	(8,697)	427	(6,818)
Non-deductible expenses	—	—	1	2
Difference in tax rate in foreign jurisdiction	30	(138)	47	29
Unrecognized tax benefits	(458)	8,835	(475)	6,787
Income tax recovery	$ —	$ —	$ —	$ —

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

15. Commitments and contingencies:

There are risks which arise from the Company's joint arrangements, including the willingness of the other partners to contribute or withdraw funds and a change in creditworthiness of the partner. As a result, there may be a requirement by the Company to contribute cash into the operating partnerships, for operational shortfalls. Generally, there are no minimum or maximum contribution requirements of the partners contained in these agreements; rather, each partner is required to contribute a pro-rated share of the required amounts, commensurate with its ownership interest.

On October 26, 2018, the Company entered into an operating agreement with Javelina Ventures, LLC in which the Company was entitled to share in 5% of the net available cash flows from two rehabilitation communities in Arizona in exchange for a note receivable in minority ownership (note 3). Concurrently, the Company entered into an agreement on December 21, 2018, to guarantee a total of $5,000 of the mortgages on the properties operated by Javelina Ventures, LLC. The Company earns an annual guaranty fee of $225 until the mortgages have been repaid or the guarantees are released. The guarantees lapse upon repayment or settlement of the senior mortgages in place at the underlying communities, which matured on December 31, 2025. On March 10, 2026, the senior lender holding the mortgages in place on the underlying communities collected $1,250 of Company funds held in escrow with the lender to offset against the loan balance. On June 17, 2026, the Company was notified by the senior lender that a trustee sale was scheduled for September 17, 2026. While Javelina Ventures, LLC continued to pursue options to refinance or sell the communities, at June 30, 2026, the Company initially recorded a financial guarantee liability of $5,000, less the $1,250 already collected by the senior lender, along with a corresponding loss on financial guarantee. On September 14, 2026, Javelina Ventures, LLC entered into a forbearance agreement with senior lender in order to forego the trustee sale noted above. As a condition of the forbearance agreement, affiliates of Javelina Ventures, LLC repaid $3,000 of the mortgages, and the Company repaid $500. The forbearance period ends on December 31, 2026. The Company expects the senior mortgages to be repaid by that date, and its guarantee to be released. The Company has compiled a probability-weighted expected credit loss scenario analysis, and based on that analysis, it has determined that its total financial guarantee loss is $1,750. The Company adjusted the financial guarantee liability and corresponding loss on financial guarantee accordingly.

Pursuant to various asset-related dispositions throughout 2024 and 2025, the Company agreed to customary seller indemnifications. The indemnification relating to the Foxhound portfolio disposition features a tipping basket of $500,000 whereby the seller does not incur any liability until the sum of all claims is greater than $500,000. The Company, as seller, received notice for a single claim under the indemnification, but the claim has not been substantiated and falls far short of the tipping basket threshold. As such, no provision has been taken as of September 30, 2026, nor has the Company recognized provisions in respect to any other indemnification per other property sales due to the recognition thresholds not being met based on assessments of both likelihood and an ability to reasonably estimate the risk of loss at this time.

16. Fair value measurement:

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated statements of financial position is as follows:

	September 30, 2026			December 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Profit-participation investment	$ —	$ —	$ 427	$ —	$ —	$ 330
Debentures	—	—	—	—	27,300	—

For the assets and liabilities measured at fair value as at September 30, 2026, there were no transfers between levels during the period. The fair values of the derivative instruments, when and as applicable, represent estimates at a specific point in time using financial models, based on interest rates that reflect current market conditions, the credit quality of counterparties and interest rate curves. Fair value measurements of derivative instruments and debentures were estimated using Level 2 inputs.

Fair value of financial instruments:

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

	September 30, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans receivable	$ 15,041	$ 14,984	$ 16,639	$ 16,559
Bond assets	76	76	225	225
Profit-participation interest	427	427	330	330
Financial liabilities:				
Mortgages payable	6,109	6,109	6,072	6,072
Debentures	—	—	27,300	27,300

Fair value represents management's estimates of the fair market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective and require estimation and cannot be determined with precision. Changes in assumptions could significantly affect these estimates. There were no changes in the methods and assumptions used in estimating the fair values since December 31, 2025.

17. Financial risk management

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

The Company believes that it will have sufficient available cash on hand to meet its minimum obligations as they come due and to comply with required financial covenants for a period of at least 12 months from September 30, 2026, which may include waivers, cures or other paths for resolution, if necessary. In making this judgment, the Company has prepared a cash flow forecast and mortgage covenant projections with the most significant assumptions in the preparation of such forecast being the ability of properties' underlying operations to generate sufficient cash flows and the continued availability of financing. As the Company has liquidated assets (see the Shareholder resolution section), the cash flows of the remaining operations may not be sufficient to cover operating costs; however, the Company has more than sufficient liquidity from cash on hand to sustain operations for the foreseeable future.