INVESQUE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

November 10, 2026

Basis of presentation

Financial data in this Management's Discussion and Analysis of Results of Operations and Financial Condition (this "MD&A") is for the three and nine months ended September 30, 2026. This MD&A is intended to provide readers with an assessment of the performance of Invesque Inc. (the "Company") for the three and nine months ended September 30, 2026. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2025 and 2024 and the condensed consolidated interim financial statements and accompanying notes of the Company for the three and nine month periods ended September 30, 2026 and 2025, both prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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

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

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

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

Forward-looking disclaimer

This MD&A contains certain forward-looking information and/or statements (“forward-looking statements”), that reflect and are provided for the purpose of presenting information about management’s current expectations and plans relating to the future, including, without limitation, statements regarding the disposition plan, the take private arrangement, and income taxes. Forward-looking information is typically identified by terms such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “expectations,” “intend,” “may,” “plan,” “project,” “should,” “will,” and other similar expressions that do not relate solely to historical matters and suggest future outcomes or events. Readers should not place undue reliance on forward-looking statements and are cautioned that forward-looking statements may not be appropriate for other purposes. Forward-looking statements in this MD&A are based on current beliefs, expectations, and certain assumptions of the Company's management, including without limitation that any conditions relating to the sale of the Company's medical office buildings will be satisfied or waived or that the Company will be in a position to successfully complete the take private arrangement. While these assumptions, opinions, and estimates are considered by the Company to be appropriate and reasonable in the circumstances as of the date of this MD&A, they are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements to be materially different from those expressed or implied by such forward looking statements. Such risks and uncertainties include, but are not limited to: the Company not receiving the necessary approvals that are required to complete the take private arrangement, and those factors set forth under the heading "Risks and Uncertainties" in this MD&A and the 2025 AIF, as well as the risks described in the Company’s management information circular with respect to special meeting to approve the take private arrangement, dated October 16, 2026, the current annual information form, and other documents, available on SEDAR at www.sedarplus.com, which risks may be dependent on market factors and not entirely within the Company’s control. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons.

These forward-looking statements reflect current expectations of the Company and are made as of November 10, 2026, being the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

Business Overview

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

The Company was founded as a North American healthcare real estate company with an investment thesis focused on the premise that an aging demographic in North America will continue to utilize healthcare services in growing proportion to the overall economy. It is currently undertaking a disposition strategy to maximize value for all shareholders (see Go-Forward Disposition Strategy). The Company's portfolio includes investments in four assisted living and memory care properties, one of which is operated under a joint venture arrangement with an industry leading operating partner. The Company's portfolio includes three investments in owner occupied seniors housing properties in which it owns the real estate and contracts with leading third-party operators under management contracts.

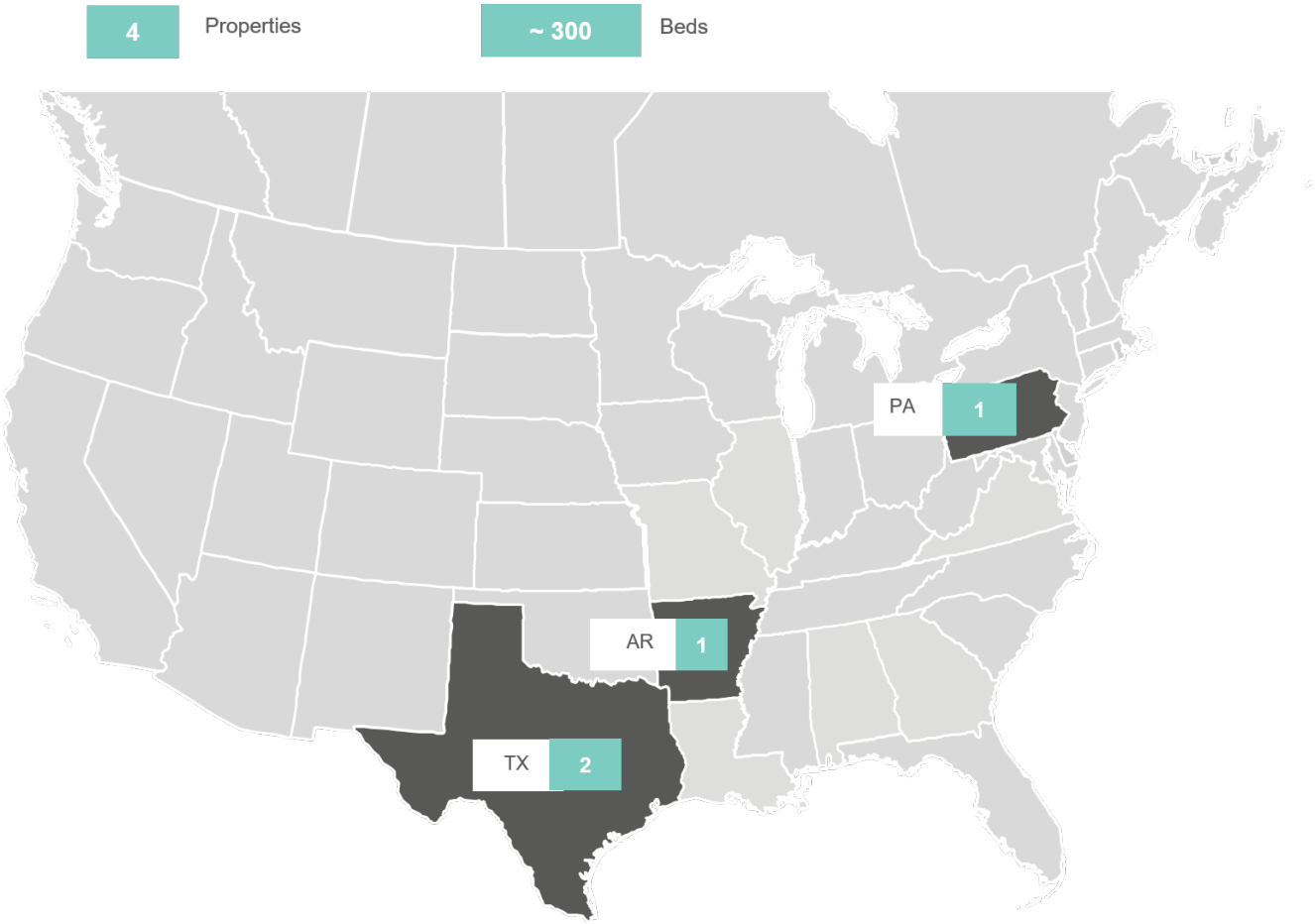
Descriptions of the Company's asset types are as follows:

- **Assisted Living ("AL") and Memory Care ("MC") Communities**: AL and MC communities play a key role in the continuum of seniors housing and care, as they bridge the gap between IL communities and higher acuity skilled-nursing communities. AL communities provide relatively independent elderly persons with typical amenities associated with less medically-intensive seniors housing and care as well as assistance with activities of daily living and some healthcare services. Services provided at AL communities typically include 24-hour care for resident protection, an emergency response system, supervision for persons with disabilities, housekeeping, maintenance and transportation. MC communities are substantially similar to AL communities because they also focus on elderly persons who need assistance with activities of daily living and healthcare services but differ from AL communities because MC residents need to be cared for in a secured environment to prevent seniors from leaving the community in a confused state. AL and MC communities in the United States are typically licensed and regulated by state and local governments rather than the federal government. In Canada, AL communities are licensed or certified and regulated in most jurisdictions. Licensure for MC communities is generally identical to AL licensure except for specific building requirements including locked exterior doors secured by keys or an access code. AL and MC communities receive most of their revenues through private pay sources and may also receive revenue from third-party pay sources, including federal, state and provincial governments.

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

As of November 10, 2026, the Company wholly owns three assisted living and memory care facilities and has a majority interest in one assisted living and memory care facility in the United States. Management views and manages the business as a single operating segment commencing in 2026.

The Company's geographic footprint as of November 10, 2026:



Liquidity Assessment

Liquidity risk is the risk that an entity is unable to fund its assets or meet its financial obligations as they come due. Liquidity risk is managed in part through cash flow forecasting by the Company. While there are uncertainties in assessing future liquidity requirements under normal operating conditions, interest rates and cost inflation have introduced increased uncertainty. The Company monitors forecasts of liquidity requirements to ensure it has the ability to meet operational needs by maintaining sufficient availability of the combination of cash on hand and debt capacity, and to ensure the Company will meet its financial covenants related to a mortgage affiliated with a wholly-owned asset and a mortgage held within an investment in joint venture 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 and supporting 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 continued availability of financing. Management has also identified all near-term debt maturities and ensured adequate measures are underway to address their repayment, replacement or extension.

Go-Forward Disposition Strategy

During the life of the Company, a large portion of the Company's portfolio was able to reach operating stabilization, leading management to execute on strategic dispositions of assets that were expected to achieve market-best valuations. On June 18, 2025, at the annual general and special meeting of the Shareholders, Shareholders approved a resolution to sell or lease all or substantially all of the assets of the Company in one or more transactions. The resolution permits the Company to sell all or substantially all assets at the discretion of the board or directors. Management determined the sale of assets through a flexible and controlled sale process allows the Company to maximize value to the Shareholders and other stakeholders, in lieu of a liquidation process that would likely risk the ability to receive fair value for the remaining assets. Over the past three years, the Company divested 69 properties. The net cash proceeds from completed dispositions were largely used for the repayment of mortgages associated with the properties that were sold, the full repayment and extinguishment of the KeyBank corporate facility, and the full repayment of the debentures.

Take Private Arrangement

On October 1, 2026, the Company has 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 member 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 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.

Other Recent Activities

On January 23, 2026, the Company completed the redemption of its outstanding 9.75% unsecured subordinated debentures due December 30, 2027. The debentures totaling $27,300 were redeemed in full in accordance with the terms of the indenture and have been delisted from the Toronto Stock Exchange.

On July 31, 2026, the Company entered into a contract and 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 retained by the joint venture for distribution to be determined at a later time. 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.

Selected Financial Information

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

	As at September 30, 2026	As at December 31, 2025	As at September 30, 2025
Consolidated investment properties	—	—	—
Consolidated owner-occupied properties	3	3	3
Properties held for sale	—	—	6
Total assets	$ 103,530	$ 131,034	$ 179.939
Total indebtedness	$ 6,109	$ 33,372	$ 39.971
Weighted average interest rate on debt [1]	7.3 %	9.3 %	7.0 %
Joint venture properties, equity accounted	1	4	8
Joint venture total assets [2]	$ 36,298	$ 109,374	$ 151.701
Joint venture indebtedness [2]	$ 17,381	$ 60,533	$ 101.221
Joint venture weighted average interest rate on debt	6.3 %	6.7 %	6.6 %

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue [3]	$ 2,847	$ 6,558	$ 8,103	$ 73,498
Direct property operating expenses [3]	$ 2,402	$ 3,254	$ 7,102	$ 43,722
Net finance costs [3]	$ 124	$ 3,506	$ 536	$ 19,196
General and administrative expenses [3]	$ 1,046	1,271	$ 3,993	$ 10,201
Loss (recovery) on financial guarantee [3]	$ (3,250)	$ —	$ 1,750	$ —
Change in fair value of investment properties [3]	$ —	$ 19,935	$ —	$ 34,884
Income (loss) from joint ventures [2]	$ (692)	$ (6,558)	$ 6,937	$ (10,477)
Net income (loss)	$ 1,613	$ (33,164)	$ 1,588	$ (26,160)
Total comprehensive income (loss)	$ 1,611	$ (34,026)	$ 1,576	$ (24,585)
Funds from operations (FFO) [4]	$ (35)	$ (2,046)	$ (780)	$ (1,485)
Adjusted funds from operations (AFFO) [4]	$ (47)	$ 31	$ (858)	$ 2,664

(1) At September 30, 2026, the Company's consolidated debt included only debt with a variable rate of interest of SOFR plus 3.50%. At December 31, 2025, the only fixed rate debt included in the Company's consolidated debt was the debentures then outstanding, which had an annual interest rate of 9.75%.

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

(3) Represents amounts from continuing operations, and excludes activity from the medical office building segment, which was classified as discontinued operations. The last remaining medical office building previously held by the Company was sold during 2025.

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

Results of Operations - Three Months Ended September 30, 2026 and 2025
(unless otherwise stated, amounts are in thousands of U.S. dollars)

Revenue from continuing operations

	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 commission	—	2	—	(8)
Property tax recoveries	—	313	—	1,923
Total rental revenue	—	1,447	—	9,545
Resident rental and related services revenue	2,588	3,704	7,409	57,761
Lease revenue from joint ventures	—	1,230	—	3,509
Other revenue	259	177	694	2,683
Total revenue	$ 2,847	$ 6,558	$ 8,103	$ 73,498

Contractual rentals received and straight-line rent adjustments relate to lease agreements under which the Company leases its investment properties to its third party operator tenants. Property tax recoveries represent the revenue recognized for the real estate taxes that the property tenants are obligated and responsible to pay. The decreases in contractual rental revenue for the three and nine months ended September 30, 2026, as compared to the prior year periods, are due to the sale of investment properties in the prior year. As of September 16, 2025, the Company no longer owned an interest in triple-net leased investment properties.

Resident rental and related revenue relates to operating revenue at the wholly owned properties that were managed by subsidiaries Commonwealth, Chapters Living ("Chapters"), Viva Senior Living ("Viva") and Constant Care Management Company ("Constant Care"), where the Company owned or owns the real estate and is the operator of the facility. This revenue consisted of rental revenue and service revenue paid by residents in the Company's owner-occupied properties. The decrease in resident rental and related revenue over the three and nine months ended September 30, 2026, as compared to the prior year periods, is primarily due to the disposition of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025. During the fourth quarter of 2025, and on a go-forward basis, the Company's portfolio of consolidated owner-occupied properties consists of one property in Arkansas and two in Texas, all of which are operated by Constant Care and are expected to see stable or increasing revenues in 2026.

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

In the prior year periods, other revenue included management fee income earned from communities managed by Commonwealth but that were not owned by the Company. Prior to the sale of the Company's interest in Commonwealth, the operator managed 13 properties that were not owned by the Company.

Direct property operating expenses from continuing operations

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

The direct property operating expenses relate to expenses at the Company's owner-occupied properties. As of September 30, 2026, the owner-occupied properties include three properties operated by Constant Care. The decrease in direct property operating expenses for the three and nine months ended September 30, 2026, as compared to the prior year periods, is primarily due to the disposition of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025.

Depreciation expense from continuing operations

For the three and nine months ended September 30, 2026, depreciation expense was $341 and $1,086, respectively (three and six months ended September 30, 2025 - $384 and $1,186, respectively), which relates to the straight-line depreciation over the useful life of the Company's office furniture, fixtures and equipment and property, plant and equipment relating to the owner-occupied properties. The decrease in depreciation expense for the three and nine months ended September 30, 2026, as compared to the prior year periods, is primarily due to the disposition of a significant portion of the Company's office furniture, fixtures and equipment in January 2026, subsequent to an office move.

Net finance costs from continuing operations

Net finance costs from operations 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	—	665	163	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 interest rate swap receipts	—	—	—	(675)
Debt extinguishment recoveries	—	1,192	—	1,120
Amortization of mark-to-market debt adjustments	—	(177)	—	(183)
	$ 124	$ 3,506	$ 536	$ 19,196

(1) For the three and nine months ended September 30, 2025, the Company included initial premiums paid for interest rate swaps and caps and a foreign currency exchange rate option, as well as the amortization of premiums paid for such contracts, as interest expense.

Net finance costs are primarily related to interest and amortization of loan costs on the Company's mortgages payable and debentures. Interest expense on credit facilities decreased in the three and nine months ended September 30, 2026, as compared to the prior year periods, due to the full repayment of principal of the Company's corporate credit facility made in August 2025. Interest expense on mortgages payable decreased in the three and nine months ended September 30, 2026, as compared to the prior year periods, due to the settlement of mortgages in conjunction with the disposition of 20 properties in the Foxhound portfolio in June 2025 and the disposition of various other investment properties in 2025. The interest expense on interest rate caps and swaps was a result of short-term interest rate swap and cap premiums paid in the prior year period and the amortization of prior period premiums. The Commonwealth preferred units were issued by the Company as partial consideration for the Commonwealth acquisitions in a prior period, earned an initial dividend rate of 8.00% per annum, and were subsequently extinguished upon closing of the Foxhound portfolio sale with a third party.

Amortization and accretion expense decreased in the three and nine months ended September 30, 2026, as compared to the prior year periods, due to the settlement of mortgages in conjunction with the disposition of 20 properties in the Foxhound portfolio in June 2025 and the disposition of various other investment properties in 2025. Debt extinguishment recoveries in the prior period resulted from a loan paydown related to one of the four Autumnwood operating entities. The Company sold its interests in these four operating entities in December 2025 as part of the sale of a subsidiary of the Company.

Interest income from loans receivable from continuing operations

For the three and nine months ended September 30, 2026, interest income from loans receivable was $319 and $1,014, respectively (three and nine months ended September 30, 2025 - $327 and $877, respectively). Interest income is related to the issuance of loans to operating partners and third party entities for purposes of financing operating capital expenditures or other costs or for seller financing as a part of several portfolio disposition transactions. The increase in interest income for the nine months ended September 30, 2026, as compared to the prior year period, is due to additional loans issued ($2,678 in principal) since the prior year period, partially offset by the impairment of the Memory Care America LLC ("MCA") loan (100%), the Morrell Hulse loan (100%), and the Javelina Ventures, LLC loan (100%) in December 2025, for which the Company continues to pursue collection efforts.

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

For the three and nine months ended September 30, 2026, real estate tax expense (recovery) was $nil and $nil, respectively (three and nine months ended September 30, 2025 - $(1,155) and $1,923, respectively), and real estate tax expense (recovery) - IFRIC 21 was $110 and $(107), respectively (three and nine months ended September 30, 2025 - $118 and $(128), respectively), both of which represent property tax expensed or recovered for the period for properties owned on the tax assessment date (generally January 1), in accordance with the provisions of *IFRIC 21, Levies*. Real estate taxes are recovered from the Company's tenants under the provisions of their triple-net leases and are reflected as part of revenue on a gross basis. The change in real estate tax expense (recovery) as compared to the prior year period is primarily due to the disposition of investment properties. Real estate tax expense (recovery) at the Company's owner-occupied properties operated by Commonwealth were included in direct property operating expenses in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue - property tax recoveries	$ —	$ (313)	$ —	$ (1,923)
Real estate tax expense (recovery)	—	(1,155)	—	1,923
Real estate tax expense (recovery) - IFRIC 21	110	118	(107)	(128)
Change in fair value of investment properties - IFRIC 21	—	1,468	—	—
	$ 110	$ 118	$ (107)	$ (128)

General and administrative expenses from continuing operations

General and administrative expenses consist of the following:

	Three months ended September 30, 2026			Three months ended September 30, 2025		
	Corporate	CSL[1]	Total	Corporate	CSL[1]	Total
Compensation and benefits	$ 375	$ —	$ 375	$ 315	$ —	$ 315
Professional fees	381	—	381	637	—	637
Insurance	110	—	110	133	—	133
Rent	13	—	13	37	—	37
Other	167	—	167	149	—	149
	$ 1,046	$ —	$ 1,046	$ 1,271	$ —	$ 1,271

(1) Defined below.

	Nine months ended September 30, 2026			Nine months ended September 30, 2025		
	Corporate	CSL[1]	Total	Corporate	CSL[1]	Total
Compensation and benefits	$ 1,410	$ —	$ 1,410	$ 2,994	$ 3,718	$ 6,712
Professional fees	1,172	—	1,172	1,785	6	1,791
Deferred share compensation	—	—	—	2	—	2
Insurance	376	—	376	433	—	433
Rent	38	—	38	252	—	252
Other	997	—	997	175	836	1,011
	$ 3,993	$ —	$ 3,993	$ 5,641	$ 4,560	$ 10,201

Compensation and benefits expense includes the cost of salaries, bonuses, and benefits during the period. The decrease in compensation and benefits for the nine months ended September 30, 2026, as compared to the prior year period, is primarily due to the disposition of 20 properties in the Foxhound portfolio operated by Commonwealth in June 2025 and workforce reductions at a corporate level.

Professional fees are comprised of costs incurred for external legal counsel, external audit and accounting fees, and other professional services. Professional fees decreased for the three and nine months ended September 30, 2026, as compared to the prior year periods, due to reduced audit, tax preparation, and legal fees in the current year periods.

The decrease in rent expense for the three and nine months ended September 30, 2026, as compared to the prior year periods, is primarily due to the expiration of a corporate office lease in May 2025.

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

Allowance for expected credit losses from continuing operations

Allowance for credit losses on loans and interest receivable for the three and nine months ended September 30, 2026 was $(17) and $(15), respectively (three and nine months ended September 30, 2025 - $2,333 and $4,240, respectively). The decrease in credit losses in the current year periods as compared to the prior year periods was due to allowances for expected credit losses on loans receivable originated and recorded in the prior year periods related to the MCA and Morrell Hulse loans and the forgiveness of portions of the Cascade loan as part of the sale of the Aria and Evanston properties. The Company applies a three-stage approach to measure its allowance for credit losses. Loss allowance is measured at an amount equal to 12 months of expected losses for performing loans (Stage 1) and at an amount equal to lifetime expected credit losses on performing loans that have seen a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected credit losses for loans considered to be credit impaired (Stage 3). Certain borrowers have experienced negative impacts to operations due in part to economic challenges, and the Company has accordingly ascribed a higher risk rating to these outstanding loans.

Loss (recovery) on financial guarantee from continuing operations

Loss (recovery) on financial guarantee for the three and nine months ended September 30, 2026 arose from the Company entering 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. 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 outstanding. On June 17, 2026, the Company was notified by the senior lender that a trustee sale of the assets 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 the 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. Due to this, the Company anticipates that its total financial guarantee loss will be $1,750. As such, it adjusted the financial guarantee liability and corresponding loss on financial guarantee accordingly.

Change in fair value of investment properties from continuing operations

The change in estimated fair value of investment properties for the three and nine months ended September 30, 2026 was $nil and $nil, respectively (three and nine months ended September 30, 2025 - decreases of $19,935 and $34,884, respectively). The adjustments for the three and nine months ended September 30, 2025 were primarily driven by downward adjustments to ten memory care assets, one seniors housing asset, and four assets within the Autumnwood portfolio that were all sold in 2025.

Change in fair value of financial instruments from continuing operations

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Change in fair value of interest rate swaps and caps	$ —	$ (113)	$ —	$ 707
Change in fair value of prepayment embedded derivatives	—	—	—	111
Total loss from change in fair value of financial instruments	$ —	$ (113)	$ —	$ 818

The change in fair value of financial instruments for the prior year periods as compared to the current year periods is due to the settling of all outstanding interest rate swaps and caps, pursuant to property sales, during 2025. The Company has no outstanding interest rate swaps or caps as of September 30, 2026.

Share of net income (loss) from joint ventures

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue:				
Revenue	$ 4,154	$ 11,390	$ 16,828	$ 33,245
	4,154	11,390	16,828	33,245
Expenses (income) and fair value adjustments:				
Property operating expense	3,102	9,147	$ 12,541	$ 27,686
Finance costs	568	2,569	2,648	7,110
General and administrative expenses	—	1	1	(1)
Transaction costs	994	—	1,015	299
Change in fair value of financial instruments	—	(180)	—	(180)
(Income) loss from change in fair value of investment properties	33	6,411	(6,387)	8,808
Gain on sale of joint venture	149	—	73	—
	$ 4,846	$ 17,948	$ 9,891	$ 43,722
Share of net income (loss) from joint ventures	$ (692)	$ (6,558)	$ 6,937	$ (10,477)

Income (loss) from joint ventures represents the Company's share of net income (loss) from entities in which the Company has an equity or jointly controlled interest accounted for under the equity method. The change in net income (loss) from joint ventures during the three and nine months ended September 30, 2026, as compared to the prior year periods, is primarily due to the change in the estimated fair value of investment properties based on sale proceeds received and contracted sales prices for five senior living facilities jointly owned by the Company. In addition, revenue, property operating expense, and finance costs decreased in the current year periods as compared to the prior year periods due to four joint venture property sales in 2025.

Income tax expense (recovery) from continuing operations

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

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

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

Cash Flow Analysis

	Nine months ended September 30,	
	2026	2025
Cash used in operating activities	$ (3,270)	$ (12,182)
Cash used in financing activities	(27,332)	(350,477)
Cash provided by investing activities	34,970	358,910
Increase (decrease) in cash	$ 4,368	$ (3,749)

Cash Used in Operating Activities

Cash used in operating activities decreased during the nine months ended September 30, 2026 as compared to the prior year period. The decrease is primarily a result of less operating cash being used due to a reduction in the size of the Company's portfolio during the comparative period. The Company still expects to satisfy its obligations as they become due moving forward based on cash flows from remaining operations and cash on hand.

Cash Used in Financing Activities

Cash used in financing activities for the nine months ended September 30, 2026 was $27,332 as compared to cash used in financing activities of $350,477 in the prior year period. Cash used in financing activities in the current year period was primarily driven by the extinguishment of the Company's outstanding debentures due December 30, 2027. Cash used in financing activities in the prior year period was driven by principal payments and settlements within mortgages payable and credit facilities, totaling $354,225.

Cash Provided by Investing Activities

Cash provided by investing activities for the nine months ended September 30, 2026 was $34,970 as compared to cash provided by investing activities of $358,910 in the prior year period. Cash provided by investing activities in the current year period was generated by distributions received subsequent to the disposition of joint venture properties in December 2025 and the current year period. Cash provided by investing activities in the prior year period was largely produced by proceeds from the disposition of assets.

Financial Position

Total assets of $103,530 are comprised primarily of $24,512 of property, plant and equipment, net of $4,278 of accumulated depreciation as at September 30, 2026. Cash on hand at September 30, 2026 was $43,702, net loans receivable were $15,041, investments in joint ventures were $17,139 and other assets were $1,489. Total gross loans receivable of $24,831 was partially offset by an allowance for losses on loans receivable of $9,790. Gross loans receivable included $2,856 of gross loans made to Symcare, $3,893 of gross loans made to Memory Care America, and $1,988 of gross loans made to Morrell Hulse, all of which are 100% fully reserved. Other assets mainly consisted of $206 of escrows held by lenders, $477 of prepaid expense, $25 of right-of-use asset, $76 of bond assets and $278 of other costs. In addition, current assets included tenant and other receivables of $1,647. The loans receivable balance related mainly to the issuance of loans to operating partners and third party entities for purposes of financing operating capital expenditures or other costs or for seller financing as a part of several portfolio disposition transactions.

Total liabilities of $7,673 included current liabilities of $7,673 (see "Liquidity and Capital Resources" for additional information) and non-current liabilities of $nil. Accounts payable and accrued liabilities represented $836 of the balance in current liabilities. The current liabilities also included $422 of real estate taxes payable, $6,109 of mortgages payable, and $306 of other current liabilities.

Summary of Quarterly Results

The following table summarizes the Company's quarterly unaudited financial information from October 1, 2024 through September 30, 2026:

	Three months ended September 30, 2026	Three months ended June 30, 2026	Three months ended March 31, 2026	Three months ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024 [3]
Revenue [1]	$ 2,847	$ 2,699	$ 2,557	$ 3,288	$ 6,558	$ 29,548	$ 37,392	$ 38,747
Direct property operating expenses [1]	2,402	2,047	2,653	1,977	3,254	17,705	22,763	23,444
Depreciation expense [1]	341	373	372	385	384	398	404	403
Net finance costs from operations [1]	124	125	287	1,331	3,506	7,545	8,145	11,220
Interest income from loans receivable [1]	319	351	344	413	327	296	254	473
Real estate property tax expense (recovery) [1]	—	—	—	—	(1,155)	(382)	3,460	23
General and administrative expenses [1]	1,046	1,355	1,592	1,699	1,271	4,814	4,116	4,871
Transaction costs	105	6	11	974	1,396	1,635	135	1,403
Allowance for expected credit losses, net of recoveries [1]	(17)	—	2	(1,707)	2,333	1,574	333	3,127
Loss (recovery) on financial guarantee [1]	(3,250)	5,000	—	—	—	—	—	—
Changes in non-controlling interest liability [1]	—	—	—	—	24	(52)	24	279
Change in fair value of investment properties - IFRIC 21 [1]	—	—	—	128	1,586	1,276	(2,990)	843
Change in fair value of investment properties [1]	—	—	—	910	19,935	6,432	8,517	(2,449)
Impairment of property, plant and equipment [1]	—	—	—	1,164	44	11	10	985
Change in fair value of financial instruments [1]	—	(97)	—	3,094	(113)	507	424	(4,185)
Loss (gain) on disposition [1]	—	(2)	98	(1,076)	682	(30,323)	—	875
Income (loss) from joint ventures	(692)	5,541	2,088	2,125	(6,558)	(2,736)	(1,183)	(2,935)
Deferred income tax expense (recovery) [1]	—	—	—	—	—	—	—	—
Net income (loss) from continuing operations	1,613	(326)	301	(4,826)	(32,820)	15,968	(8,878)	(4,554)
Net income (loss) from discontinued operations	—	—	—	(504)	(344)	(21)	(65)	917
Net income (loss) for the period	1,613	(326)	301	(5,330)	(33,164)	15,947	(8,943)	(3,637)
Funds from operations [2]	(35)	219	(964)	(2,138)	(2,046)	(1,491)	2,052	(216)
Adjusted funds from operations [2]	(47)	186	(2,613)	(1,212)	31	418	2,215	1,554

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

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

(3) As adjusted. See audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2025 and 2024.

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

Liquidity and Capital Resources

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

The Company expects to meet its working capital requirements with respect to accounts payable and accrued liabilities through cash on hand and operating cash flows moving forward. As at September 30, 2026, current liabilities totaled $7,673, and current assets totaled $48,444, resulting in a working capital surplus of $40,771 (December 31, 2025 - $3,310, $43,578 and $40,268 surplus, respectively).

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

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

The Company, while considering externally imposed capital requirements, sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In managing its capital structure, the Company monitors performance throughout the year to ensure working capital requirements are funded from operations, available cash on deposit, and available financing.

Debt Strategy and Indebtedness

Debt Strategy

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

To manage interest rate risk, the Company may enter into derivative instruments. The Company does not designate its interest rate swaps as hedges for financial reporting purposes. These instruments are measured at fair value each reporting period through the change in fair value of financial instruments in the condensed consolidated interim statements of income (loss) and other comprehensive income (loss), when relevant.

Indebtedness

		Principal Amount	Weighted Average Interest Rate	Years to Maturity [1]
Variable Rate Indebtedness				
Mortgages payable	$	6,133	7.3 %	0.5
Total indebtedness	$	6,133	7.3 %	0.5
Loan fees and issue costs, net of amortization and accretion		(24)		
Carrying amount	$	6,109		

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

Joint Venture Indebtedness

		Principal Amount	Weighted Average Interest Rate	Years to Maturity [2]
Variable rate mortgages payable	$	21,890	6.3 %	2.0
Total Indebtedness	$	21,890	6.3 %	2.0
Less loan fees, net of amortization		(164)		
Carrying amount	$	21,726		
Company's share of carrying amount	$	17,381		

2024 Debentures

The 2024 Debentures incurred interest of 9.75% per annum and were set to mature on December 30, 2027. On January 23, 2026, the Company redeemed the debentures in full.

Debt Covenant Compliance

The Company's mortgage debt includes various financial covenants which include, but are not limited to, debt service coverage ratios, fixed charge ratios and debt yields. At 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, which may include waivers, consideration of certain cure periods or further paydowns of principal amounts.

As of November 10, 2026, the Company anticipates being compliant with all covenants in the next 12 months.

Contractual Commitments

A summary of future contractual commitments as at September 30, 2026, including expected interest payments, is as follows:

	Total	2026	2027	2028	2029	2030	Thereafter
Mortgages payable principal	$ 6,133	$ —	$ 6,133	$ —			
Total principal	$ 6,133	$ —	$ 6,133	$ —	$ —	$ —	$ —
Percentage of total	100.0 %	— %	100.0 %	— %	— %	— %	— %
Mortgages payable interest	$ 262	$ 112	$ 150	$ —	$ —	$ —	$ —
Accounts payable and accrued liabilities	836	836	—	—	—	—	—
Accrued real estate taxes	422	422	—	—	—	—	—
Other liabilities	306	289	17	—	—	—	—
Total other commitments	$ 1,826	$ 1,659	$ 167	$ —	$ —	$ —	$ —
Total commitments	$ 7,959	$ 1,659	$ 6,300	$ —	$ —	$ —	$ —

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

Accounts payable consist primarily of professional fees, other general and administrative costs payable, accrued interest, and other accrued costs. The Company settles accounts payable from cash generated from operations. The Company expects to settle the financial guarantee liability, if necessary, with cash on hand and cash flows generated from operations.

Transactions Between Related Parties

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

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

On October 1, 2026, the Company has 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 take private arrangement section, as described in the preamble to the notes above, for additional details.

Critical Accounting Estimates

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

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

Liquidity assessment:

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

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

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.

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.

Impairment of loans receivable and property taxes receivable:

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

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

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

Impairment of property, plant and equipment:

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

Risks and Uncertainties

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

Controls and Procedures

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

Disclosure Controls and Procedures

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

Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at September 30, 2026. Based on this evaluation, we have concluded that we have a) designed disclosure controls and procedures to provide reasonable assurance that (i) material information relating to Invesque is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared and (ii) information required to be disclosed by Invesque in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and b) designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Outstanding Shares

As of November 10, 2026, 913,518,837 common shares in the capital of the Company were issued and outstanding.

As of November 10, 2026, assuming the voluntary conversion of all of the Exchangeable Units, a total of 138,675 common shares would be issued.

Financial Measures

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

Funds From Operations

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

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

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

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

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

	Nine months ended September 30,	
	2026	2025
Net income (loss) from continuing operations for the period	$ 1,588	$ (25,730)
Add/(deduct):		
Change in fair value of investment properties	—	34,756
Property taxes accounted for under IFRIC 21	—	374
Depreciation and amortization expense	1,074	1,096
Amortization of tenant inducements	—	120
Change in fair value of financial instruments	—	818
Change in fair value of profit participation investment	(97)	—
Transaction costs	122	3,166
Loss (gain) on sale of property, plant and equipment	96	(29,641)
Impairment of property, plant and equipment	—	65
Executive severance	—	492
Allowance for credit losses on loans and interest receivable	(15)	4,240
Change in non-controlling interest liability in respect of the above	—	(6)
Loss on financial guarantee	1,750	—
FFO adjustments for equity accounted entities at share	(5,298)	8,926
FFO from continuing operations	$ (780)	$ (1,324)
FFO from discontinued operations	—	(161)
Total FFO	$ (780)	$ (1,485)

	Three months ended September 30, 2026	Three months ended June 30, 2026	Three months ended March 31, 2026	Three months ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024 [1]
Net income (loss) from continuing operations	$ 1,613	$ (326)	$ 301	$ (4,826)	$ (32,820)	$ 15,968	$ (8,878)	$ (4,554)
Add/(deduct):								
Change in fair value of investment properties	—	—	—	1,038	21,521	7,708	5,527	(1,606)
Property taxes accounted for under IFRIC 21	—	—	—	(128)	(1,586)	(1,399)	3,359	(843)
Depreciation expense	337	369	368	193	359	369	368	346
Amortization of tenant inducements	—	—	—	—	—	60	60	60
Accretion expense and amortization of non-cash adjustments to Convertible Debentures	—	—	—	—	—	—	—	1,925
Change in fair value of financial instruments	—	—	—	2,724	(113)	507	424	(4,185)
Change in fair value of profit participation investment	—	(97)	—	370	—	—	—	—
Realized loss on translation of foreign operations	—	—	—	1,773	—	—	—	—
Transaction costs	105	6	11	974	1,396	1,635	135	1,403
Debt extinguishment costs	—	—	—	—	—	—	—	—
Loss (gain) on disposition of property, plant and equipment	—	(2)	98	(1,076)	682	(30,323)	—	875
Impairment of property, plant and equipment	—	—	—	1,164	44	11	10	985
Executive severance	—	—	—	—	—	492	—	—
Deferred income tax expense (recovery)	—	—	—	—	—	—	—	—
Allowance for expected credit losses	(17)	—	2	(1,707)	2,333	1,574	333	3,127
Change in non-controlling interest liability in respect of the above	—	—	—	—	(3)	(2)	(1)	7
Loss on financial guarantee	(3,250)	5,000	—	—	—	—	—	—
FFO Adjustments for equity accounted entities	1,177	(4,731)	(1,744)	(2,472)	6,231	1,914	781	2,391
FFO from continuing operations	$ (35)	$ 219	$ (964)	$ (1,973)	$ (1,956)	$ (1,486)	$ 2,118	$ (69)
FFO from discontinued operations	—	—	—	(165)	(90)	(5)	(66)	(147)
Total FFO	$ (35)	$ 219	$ (964)	$ (2,138)	$ (2,046)	$ (1,491)	$ 2,052	$ (216)
Interest, amortization and accretion expense on dilutive convertible units	—	—	—	—	—	—	—	—
Total diluted FFO from continuing operations	$ (35)	$ 219	$ (964)	$ (2,138)	$ (2,046)	$ (1,491)	$ 2,052	$ (216)

(1) As adjusted. See audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2025 and 2024.

Adjusted Funds From Operations

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

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

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

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

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

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

	Nine months ended September 30,	
	2026	2025
Cash flows used in operating activities	$ (3,270)	$ (12,182)
Change in non-cash working capital	936	7,020
Less: interest expense [(1)]	515	(15,322)
Less: change in non-controlling interest liability	—	4
Plus: gain (loss) from joint ventures	6,937	(10,477)
Plus: interest paid	498	23,098
Less: interest received	(1,049)	(265)
Plus: amortization of lease asset	—	20
Plus: AFFO adjustments for equity accounted entities	(5,210)	9,488
Plus: deferred share incentive plan compensation	—	2
Less: executive severance	—	492
Plus: interest expense	—	671
Plus: bad debt at previously disposed properties	—	463
Plus: property taxes accounted for under IFRIC 21	—	246
Less: capital maintenance reserve	(215)	(594)
AFFO	$ (858)	$ 2,664
AFFO from discontinued operations	—	(161)
AFFO from continuing operations	$ (858)	$ 2,825

	Three Months Ended September 30, 2026	Three months ended March 31, 2026	Three months ended March 31, 2026	Three months ended December 31, 2025	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024
Cash flows provided by (used in) operating activities	$ (705)	$ 411	$ (2,976)	$ (1,445)	$ (2,416)	$ (9,963)	$ 197	$ 3,394
Change in non-cash working capital	230	(997)	1,703	(2,316)	2,192	2,346	2,482	(3,375)
Less: interest expense [1]	207	239	69	(760)	(1,605)	(6,187)	(7,530)	(7,928)
Less: change in non-controlling interest liability	—	—	—	—	(24)	52	(24)	(279)
Plus: gain (loss) from joint ventures	(692)	5,541	2,088	2,125	(6,558)	(2,736)	(1,183)	(2,935)
Plus: interest paid	111	112	275	1,829	1,803	13,853	7,442	8,601
Less: interest received	(347)	(340)	(362)	(475)	(76)	(84)	(105)	(53)
Plus: debt extinguishment costs (recoveries)	—	—	—	—	—	—	—	995
Plus: realized (gain) loss on foreign currency translation	—	—	—	1,724	—	—	—	(71)
Plus: amortization of lease asset	—	—	—	(167)	—	10	10	(11)
Plus: non-cash portion of non-controlling interest expense	—	—	—	—	—	—	—	7
Plus: AFFO adjustments for equity accounted entities	1,200	(4,698)	(1,712)	(1,529)	6,913	1,822	753	2,439
Plus: deferred share incentive plan compensation	—	—	—	—	—	—	2	(9)
Plus: executive severance	—	—	—	—	—	492	—	—
Plus: interest expense	—	—	—	—	—	671	—	—
Plus: bad debt at previously disposed properties	—	—	—	—	—	463	—	—
Plus: interest savings from debenture extinguishment	—	—	—	—	—	—	—	1,151
Plus: property taxes accounted for under IFRIC 21	—	—	—	—	—	(123)	369	—
Plus: forgiveness of receivable from joint venture affiliate	—	—	—	—	—	—	—	—
Less: capital maintenance reserve [2]	(51)	(82)	(82)	(198)	(198)	(198)	(198)	(372)
AFFO	$ (47)	$ 186	$ (997)	$ (1,212)	$ 31	$ 418	$ 2,215	$ 1,554
AFFO from discontinued operations	—	—	—	(165)	(90)	(5)	(66)	(126)
AFFO from continuing operations	(47)	186	(997)	(1,047)	121	423	2,281	1,680
Interest expense on dilutive convertible units	—	—	—	—	—	—	—	—
Total diluted AFFO	$ (47)	$ 186	$ (997)	$ (1,212)	$ 31	$ 418	$ 2,215	$ 1,554

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

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