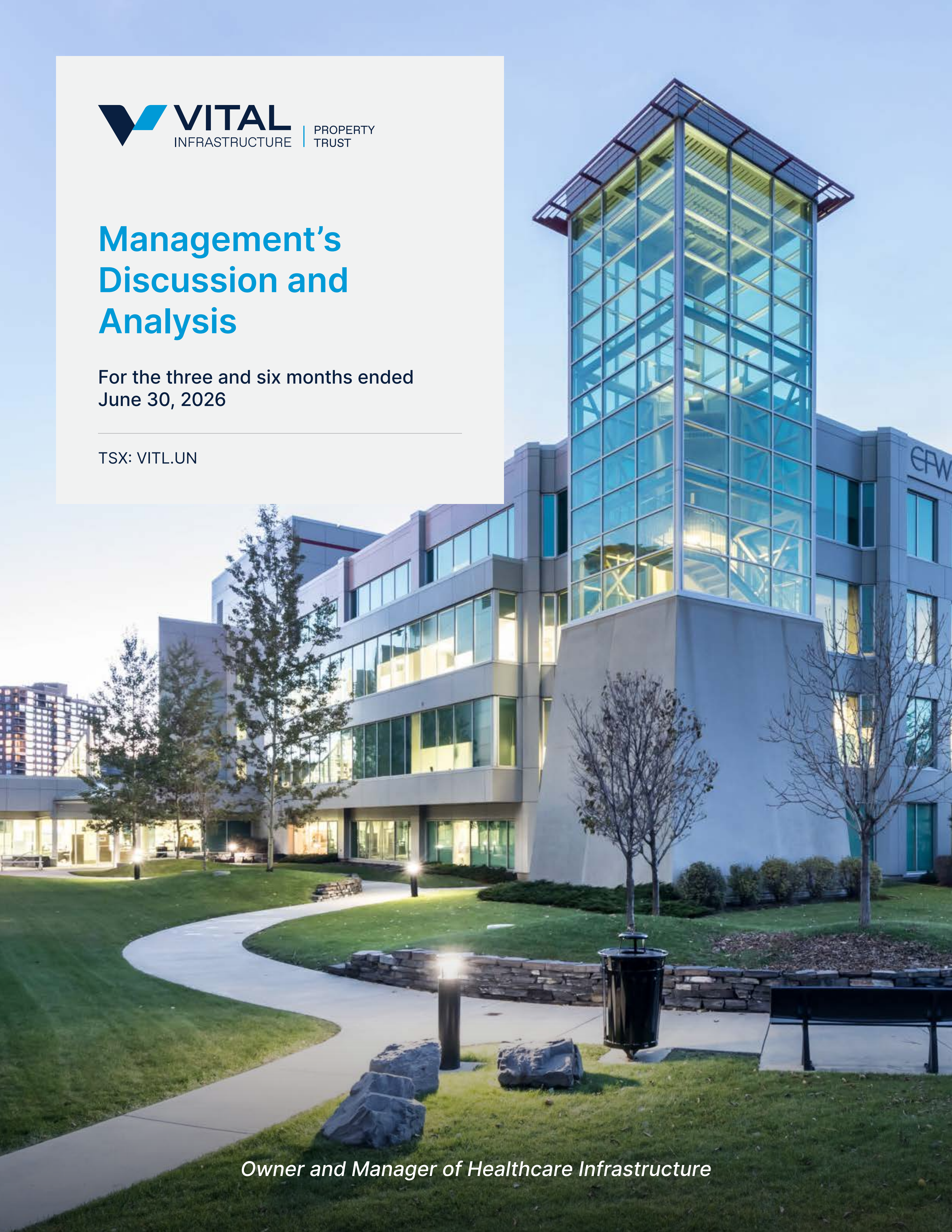
VITAL INFRASTRUCTURE | PROPERTY TRUST

Management's Discussion and Analysis

For the three and six months ended June 30, 2026

TSX: VITL.UN



Owner and Manager of Healthcare Infrastructure

TABLE OF CONTENTS

Management's Discussion & Analysis

3 Introduction

6 Business Overview and Strategy

8 Performance Overview

19 Results From Operations

31 Balance Sheet

33 Investment Properties

36 Liquidity and Capital Resources

45 Quarterly Information

46 Risks and Uncertainties

46 Other Financial Disclosures

47 Non-GAAP and Other Supplementary Measures

1. INTRODUCTION

1.1. Basis for Presentation

This Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Vital Infrastructure Property Trust ("Vital Infrastructure" or the "REIT") should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements and accompanying notes for the three and six months ended June 30, 2026, the REIT's Annual Information Form dated February 24, 2026 and the REIT's Management Information Circular dated April 1, 2026. The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). Unless otherwise indicated, financial information is presented in thousands of Canadian dollars, and per unit amounts are presented on a per-unit basis. This MD&A is current as of August 12, 2026. Historical results and trends discussed in this MD&A may not be indicative of future results. Additional information relating to the REIT is available on SEDAR+ at www.sedarplus.ca.

In March 2026, the REIT changed its name from Northwest Healthcare Properties REIT to Vital Infrastructure Property Trust. All references in this MD&A to the REIT refer to Vital Infrastructure Property Trust and, where the context requires, its predecessor entity.

Basis of Consolidation and Presentation

The financial information in this MD&A is presented on a consolidated basis in accordance with IFRS and reflects the financial position and results of operations of the REIT and its consolidated subsidiaries. References to "Vital Infrastructure" or the "REIT" include the REIT and its consolidated subsidiaries, unless the context otherwise requires.

Until December 30, 2025, the REIT managed Vital Healthcare Property Trust ("Vital Trust"), a New Zealand Stock Exchange-listed trust, and consolidated its assets, liabilities and operating results. Following the internalization of Vital Trust's management structure on that date, the REIT no longer controls Vital Trust and deconsolidated it accordingly. The REIT's retained interest in Vital Trust is accounted for as an equity-accounted investment in accordance with IFRS from that date. As a result, the REIT's consolidated results for 2026 are not directly comparable with prior periods.

For proportionate disclosure in this MD&A, the REIT no longer includes its share of Vital Trust's underlying assets, liabilities, revenues and expenses. Instead, the retained investment is reflected based on the nature of the measure presented. The following table summarizes how the REIT's investment in Vital Trust is reflected across its principal financial and operating measures beginning January 1, 2026:

Measure	Vital Trust treatment beginning January 1, 2026
IFRS financial statements	Accounted for as an equity-accounted investment.
Proportionate balance sheet	Presented as a single line item, "Investment in Vital Trust", at IFRS carrying value.
Proportionate income statement	Distributions from Vital Trust are presented separately; remaining equity-accounted income is presented as non-cash equity income from Vital Trust.
Net operating income ("NOI") and same-property net operating income ("SPNOI")	Excluded from NOI and SPNOI.
Funds from operations ("FFO") and adjusted funds from operations ("AFFO")	Reflected through distributions received from Vital Trust.
Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")	Reflects Vital Trust based on distributions received, rather than a proportionate share of Vital Trust's underlying operating results.
Net asset value ("NAV") and assets under management	Reflected using the quoted market price of the Vital Trust units held by the REIT.
Leasing metrics and portfolio profile	Excluded from leasing metrics and portfolio profile.

This presentation applies beginning January 1, 2026 and affects comparability with the three and six months ended June 30, 2025, when Vital Trust was reflected under the prior presentation. The impact of this presentation on the REIT's non-GAAP and other supplementary measures is discussed in Section 11, "Non-GAAP and Other Supplementary Measures".

Use of Non-GAAP and Other Financial Measures

This MD&A includes certain non-GAAP financial measures, non-GAAP ratios and supplementary financial measures, as defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure*. Management uses these measures to evaluate operating performance, financial position and the REIT's ability to meet its financial obligations, and to facilitate period-over-period comparisons. These measures do not have standardized meanings under IFRS and may not be comparable to similar measures presented by other issuers. They should not be considered substitutes for measures determined in accordance with IFRS. Non-GAAP and other supplementary financial measures in this MD&A are identified by the suffix "(1)". Where applicable, these measures are reconciled to the most directly comparable IFRS measures. Definitions, explanations of composition and reconciliations are provided in Section 11, "Non-GAAP and Other Supplementary Measures".

Use of Operating and Non-Financial Metrics

The REIT uses certain operating and non-financial metrics to assess portfolio performance and support capital allocation and investment decisions. These metrics include measures such as net operating income, same-property performance, occupancy, leasing activity and weighted average lease expiry. Certain of these measures constitute supplementary financial measures under National Instrument 52-112. Although some of these metrics are not presented directly in the consolidated financial statements, management believes they provide useful information in assessing the REIT's operating performance and portfolio quality.

1.2. Forward-Looking Statements

This MD&A may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements can generally be identified by words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "continue", or the negative thereof or similar variations.

Forward-looking statements in this MD&A include statements concerning driving growth and long-term unitholder value, the stability and durability of the REIT's income, the receiver-led sale process for Healthscope Pty Ltd ("HSO"), the conditional lease agreement with Calvary Health Care ("Calvary") for the REIT's portfolio of 12 assets, including the approval of the receiver and creditors, the ongoing operation of HSO's inpatient facilities, future debt repayment and renewal, target AFFO payout ratios, target general and administrative expense run rate, target leverage and debt-to-EBITDA ratio levels, the use of proceeds from the internalization of external management at Vital Trust, the REIT's relationship with (and ownership interest in) Vital Trust going forward, the redeployment of proceeds from the sale of the European portfolio, including to fund North American acquisitions and general corporate purposes, the closing of the REIT's acquisition in Burlington, Ontario, including the expected timeline thereof, expected leverage levels following the redeployment of European sale proceeds toward the REIT's target range, the REIT's commitment to continue pursuing asset sales, simplifying the business, reducing costs, and strengthening its balance sheet, the REIT's plans to expand its North American footprint, enhancing operating leverage and driving earnings growth, the REIT's plans to address 2026 debt maturities through a combination of repayments and refinancing, distribution sustainability and the REIT's ability to meet its ongoing distribution and financing obligations, future debt repayment and renewals, and the repurchase of securities under the REIT's normal course issuer bid.

The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A are based on numerous assumptions which may prove incorrect, and which could cause actual results or events to differ materially from the forward-looking statements. These include assumptions relating to the REIT's properties continuing to perform as they have recently, various general economic and market factors, including exchange rates remaining constant, local real estate conditions remaining strong, and interest rates remaining at current levels or decreasing, the availability of equity and debt financing to the REIT and the REIT's ability to refinance, or extend the maturity of, its existing debt, the ability of the REIT to maintain a reduced headcount, the continued operation of HSO's hospitals, the approval by the receiver and creditors of the conditional lease agreement with Calvary, the REIT's ability to successfully complete its planned acquisitions on the terms proposed, the successful redeployment of European sale proceeds to fund North American acquisitions and reduce indebtedness, the expected closing of the REIT's North American acquisitions on the terms proposed and within the expected timeline, and the market price of the Trust Units.

Such forward-looking statements are also qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including the risk that the transactions contemplated herein are not completed on the terms proposed or at all, and the risks described in the section titled "Risk Factors" in the Annual Information Form, which are hereby incorporated by reference in this MD&A and available on SEDAR+ at www.sedarplus.ca.

Unless otherwise stated, all forward-looking statements speak only as of the date of this MD&A and, except as expressly required by applicable law, the REIT assumes no obligation to update such statements.

Market and Industry Data

This MD&A includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the information included.

Although the third-party sources believe it to be reliable, the REIT has not independently verified any of the data from third-party sources referred to in this MD&A or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

2. BUSINESS OVERVIEW AND STRATEGY

2.1. About Vital Infrastructure Property Trust

Vital Infrastructure Property Trust ("Vital Infrastructure" or the "REIT"), is an Ontario open-end trust established on January 1, 2010 and governed pursuant to a fourth amended and restated Declaration of Trust dated March 11, 2026 ("Declaration of Trust"). The registered office of the REIT is 145 King Street West, Suite 600, Toronto, Ontario, M5H 1J8. The REIT's trust units ("Trust Units") are listed and publicly traded on the Toronto Stock Exchange (“TSX”) under the symbol VITL.UN. The REIT’s convertible debentures are listed and publicly traded on the TSX under the symbols VITL.DB.H and VITL.DB.I.

The REIT's Business

Vital Infrastructure is an investor, developer and manager of critical healthcare infrastructure properties. As at June 30, 2026, Vital Infrastructure's portfolio comprised 50 inpatient facilities, 51 outpatient facilities and 3 other health research facilities, with a total gross value exceeding $5.6 billion. Of this amount, $3.0 billion is owned in partnership with institutional investors and $2.6 billion is owned directly by the REIT.

Vital Infrastructure is the largest Canadian-based owner and operator of healthcare infrastructure, with deep knowledge of healthcare systems, local execution capabilities and longstanding relationships with governments, healthcare providers, and long-term capital, positioning the REIT as a strategic infrastructure partner to local healthcare networks and investors.

The REIT's Purpose

Vital Infrastructure’s purpose is to generate stable sustainable returns for unitholders, backed by real property assets in the places where care is delivered. Vital Infrastructure’s high-quality healthcare infrastructure portfolio supports better outcomes for patients, while delivering strong returns for unitholders.

The REIT aims to be a leader in healthcare real estate through its deep healthcare expertise and relationships with health systems to create irreplaceable assets at the heart of modern care delivery. The REIT focuses on high-quality properties, long-term relationships, and partnership-driven growth, reflecting our belief that properties serve a greater purpose than simply providing space.

2.2. Our Operating Environment

The REIT's portfolio is supported by three long-term trends driving demand for healthcare real estate.

Aging Demographics

Across the developed world, populations are aging. Canada's population aged 65 and over continues to be a powerful demand driver for healthcare services. Statistics Canada projects this demographic will increase by approximately 28% by 2036, with this cohort utilizing healthcare services at roughly 3.5 times the per-capita rate of the general population. This demographic shift is expected to support enduring demand for modern, well-located healthcare facilities across the full continuum of care, including primary care, diagnostics, acute care, and specialized treatment.

Rising Healthcare Expenditures

As people age, healthcare needs increase, leading to higher healthcare spending. According to CIHI’s National Health Expenditure Trends, 2025, Canadian healthcare expenditures are projected to grow at approximately 5% annually over the next 25 years, reflecting increased demand for services, infrastructure modernization, capacity expansion, and the integration of advanced medical technologies. Ongoing public and private investment in healthcare systems is expected to support sustained institutional investment in healthcare real estate.

Shift Toward Outpatient and Ambulatory Care

Healthcare delivery models continue to evolve, with a growing share of procedures migrating from traditional inpatient hospital settings to outpatient and ambulatory facilities. These settings offer operational efficiencies, faster patient recovery times, lower infection risk and improved clinical outcomes. As a result, outpatient and ambulatory facilities are increasingly favoured by health systems, physicians, and payers, supporting continued demand for purpose-built healthcare real estate.

2.3. Our Strategy

The REIT’s strategy is to build a scaled healthcare infrastructure platform focused predominately in the Americas, supported by a strong balance sheet and a disciplined approach to capital allocation. The REIT's objective is to deliver stable, sustainable growth in earnings and net asset value per unit while maintaining financial flexibility across market cycles.

This strategy reflects the REIT’s view that long-term demographic trends, rising demand for healthcare services, and the continued shift toward outpatient care will drive durable investment opportunities across its core markets. We believe the REIT’s established relationships, operating expertise, and development capabilities position it to generate attractive risk-adjusted returns within this environment.

During the remainder of 2026, the REIT’s strategic priorities are to:

- Simplify the portfolio by recycling capital;
- Strengthen and optimize the balance sheet;
- Expand the REIT’s North American footprint; and
- Enhance operating leverage and drive earnings growth.

3. PERFORMANCE OVERVIEW

3.1. Key Performance Metrics

The following table summarizes key financial and operating metrics of the REIT for the periods indicated. These metrics should be read in conjunction with the REIT's condensed consolidated interim financial statements and accompanying notes. Financial information is presented in thousands of Canadian dollars, unless otherwise indicated.

As at or for the three months ended June 30 ($ thousands except where otherwise indicated) (unaudited)	2026	2025
Portfolio and Operating Metrics		
Number of Properties[(i)]	**104**	168
Gross Leasable Area (millions of sf)[(i)]	**11.1**	15.8
Occupancy %[(i)]	**96.4%**	96.6%
Weighted Average Lease Expiry ("WALE") (years)[(i)]	**13.1**	13.5
IFRS Financial Measures		
Total assets (IFRS)	**$ 3,196,453**	$ 5,960,177
Total liabilities (IFRS)	**1,654,744**	3,364,070
Revenue from investment properties (IFRS)	**66,090**	99,004
Net income (loss)	**279**	32,621
Net income (loss) per unit	**—**	0.13
Net income (loss) attributable to unitholders	**279**	25,960
Net income (loss) attributable to unitholders per unit	**—**	0.10
Non-GAAP Financial Measures		
Funds from Operations ("FFO")[(1)] per unit - diluted	**$ 0.10**	$ 0.11
FFO[(1)] payout ratio	**86%**	84%
FFO per unit - diluted, excluding accelerated amortization of deferred financing costs[(1)(iii)]	**$ 0.11**	$ 0.11
FFO payout ratio, excluding accelerated amortization of deferred financing costs[(1)(iii)]	**84%**	80%
Adjusted Funds from Operations ("AFFO")[(1)] per unit - diluted	**$ 0.11**	$ 0.10
AFFO[(1)] payout ratio	**85%**	88%
Distributions declared per unit	**$ 0.09**	$ 0.09
Weighted average number of units outstanding - diluted	**250,852,728**	249,941,309
Net Asset Value ("NAV")		
NAV[(1)] per unit	**$ 7.66**	$ 8.67
Units outstanding - period end, basic	**250,018,529**	249,257,536
Capital Structure and Debt Metrics		
Debt to Gross Book Value (IFRS)[(1)]	**39.8%**	48.5%
Debt to Gross Book Value (Proportionate)[(1)]	**46.8%**	56.0%
Debt to Adjusted EBITDA (proportionate basis), comparable[(1)(iv)]	**7.7**	9.4
Interest coverage (Proportionate)[(1)(ii)]	**2.2**	1.8
Economic Weighted Average Interest Rate (Proportionate)[(1)]	**5.25%**	4.76%
Weighted average term to maturity (years) (Proportionate)[(1)]	**2.2**	3.0

(i) Although the REIT holds an ownership interest of approximately 30% in its joint venture investments, operational information is presented on a 100% basis. For the three months ended June 30, 2025, this information also includes Vital Trust, while for the three months ended June 30, 2026, Vital Trust has been excluded following the internalization transaction completed on December 30, 2025. Refer to Section 1.1, "Basis for Presentation" and Section 3.3, "Portfolio Profile".
(ii) Interest coverage ratio is presented on a trailing twelve month basis consistent with the REIT's leverage covenants under its senior unsecured debenture indentures.
(iii) Refer to Section 11.2, "Funds from Operations ("FFO")" for the amounts and a reconciliation.
(iv) Presented on a comparable basis to reflect the REIT's current portfolio composition, the June 30, 2026 figure excludes EBITDA from the disposed European properties.

3.2. Key Performance Highlights

The second quarter of 2026 marked a significant step in the REIT's ongoing strategy to simplify its business and reposition the portfolio toward North America. The completion of the European portfolio sale substantially reduced the REIT's European footprint, leaving the REIT with an approximately 30% interest in 10 German joint venture clinics and a wholly-owned four-building, hospital-adjacent medical outpatient campus in the Netherlands.

Proceeds from the sale were applied to reduce debt at quarter end and, subsequent to quarter end, were redeployed to fund the acquisition of the East New York Health Hub in Brooklyn, New York, with the balance to be applied to the REIT's committed Canadian acquisition pipeline and general corporate purposes. The REIT also refinanced its Australian joint venture debt on improved terms and agreed to acquire an additional medical outpatient facility in Canada which is expected to close in the third quarter.

The REIT's portfolio continued to perform well during the quarter. Same-property net operating income(1) increased 2.3% year-over-year, supported by inflation-linked rent adjustments, rentalized capital expenditures and improved recoveries across the portfolio. Excluding the impact of the North American facilities outsourcing transition, underlying growth was approximately 3.2%. Portfolio occupancy remained stable at 96.4%, with a weighted average lease expiry of 13.1 years. AFFO(1) per unit was $0.11 and the AFFO(1) payout ratio was 85%, reflecting the durability of the REIT's cash flows.

During the quarter:

- Completed the European portfolio sale, disposing of 23 wholly-owned properties in Germany and the Netherlands and 10 joint venture properties in the Netherlands, generating approximately $145 million of net cash proceeds attributable to the REIT.
- The REIT repaid maturing Canadian and European mortgages using its revolving credit facility, including a $95.0 million Netherlands mortgage and $65.0 million of Canadian mortgages.
- Ended the quarter with $443.3 million of available liquidity and leverage at 46.8% on a proportionate basis(1), reflecting the European sale proceeds received at quarter end. As these proceeds are redeployed to fund the REIT's North American acquisitions, available liquidity is expected to decrease and leverage to increase from current levels.

Subsequent to June 30, 2026:

- Refinanced A$715.0 million of Australian joint venture term debt ($210.2 million at the REIT's share), extending maturity from December 2026 to December 2028.
- Repaid a $6.9 million Canadian mortgage that matured in July 2026, using the REIT's revolving credit facility.
- Completed the acquisition of a 142,000 sq ft, seven-storey, purpose-built integrated community health centre in Brooklyn, New York for US$89.9 million ($126.7 million). The property is 100% leased with approximately 11 years of remaining term.
- Agreed to acquire a 51,000 sq ft multi-tenant medical outpatient facility in Burlington, Ontario for $26.2 million. Closing is expected in the third quarter of 2026.
- Received City of Toronto approval at Fairview Health Centre in Toronto for a transit-oriented, mixed-use redevelopment comprising approximately 980,000 sq ft of total gross floor area, including up to 1,302 residential units across three towers and approximately 100,000 sq ft of medical space.

The discussion below reflects activity during the quarter and subsequent events through August 12, 2026.

European Portfolio Sale

On June 30, 2026, the REIT completed the previously announced sale of its 33-property European portfolio to TPG Real Estate. The portfolio comprised 30 income-producing properties and three development properties, including 23 wholly-owned properties in Germany and the Netherlands and 10 properties held through the REIT's 30%-owned Netherlands joint venture. The Netherlands portion closed on April 29, 2026, and the German portion closed on June 30, 2026. Following the transaction, the REIT's European portfolio comprises its approximately 30% interest in 10 German joint venture clinics and a wholly-owned four-building, hospital-adjacent medical outpatient campus in the Netherlands.

The wholly-owned properties had a fair value of $357.6 million and the joint venture properties had a fair value of $254.1 million ($76.2 million at the REIT's 30% interest), reflecting fair value adjustments to align carrying values with expected transaction proceeds. Net proceeds attributable to the REIT were approximately $145 million, after transaction costs and taxes, and have since been redeployed to fund the Brooklyn acquisition, with the balance to be applied to the REIT's committed Canadian acquisition pipeline and general corporate purposes.

Balance Sheet and Capital Management

The REIT's financing activity during and subsequent to the quarter materially strengthened its balance sheet. Leverage on a proportionate basis(1) improved to 46.8% at June 30, 2026, and Debt to Adjusted EBITDA(1) was 7.1x (7.7x on a comparable basis). These figures reflect the European sale proceeds received at quarter end, which had not yet been redeployed. As the REIT funds the Brooklyn acquisition and its committed Canadian acquisition, leverage is expected to move higher, toward approximately 48.8% and 8.0x on a pro forma proportionate basis(1).

The refinancing of the Australian joint venture debt, together with the repayment of maturing Canadian and European mortgages, reduced 2026 debt maturities and, on a pro forma basis reflecting these subsequent events, extended the weighted average term to maturity to 2.4 years, from 2.2 years at June 30, 2026.

In connection with the European dispositions, the REIT repaid $210.3 million of mortgages on the German wholly-owned properties, while an additional $8.9 million of mortgages on the Netherlands wholly-owned properties and $140.4 million of joint venture mortgages ($42.1 million at the REIT's 30% interest) were settled as part of the transaction. The REIT also drew on its revolving credit facility to repay six maturing Canadian mortgages totalling $65.0 million and a $95.0 million Netherlands mortgage, and repurchased $1.5 million of convertible debentures under its normal course issuer bid.

As at June 30, 2026, total available liquidity was $443.3 million on a proportionate basis(1), comprising $367.8 million of undrawn capacity under the revolving credit facility and the term loan secured by Vital Trust units, and $75.4 million of cash. As the sale proceeds are redeployed into the REIT's North American acquisitions, available liquidity will be drawn down and leverage will increase from its June 30, 2026 level.

On a proportionate basis(1), approximately $1.5 billion of the REIT's assets were unencumbered at June 30, 2026, compared to $1.2 billion at December 31, 2025, further enhancing the REIT's financial flexibility and access to a broader range of financing alternatives.

Operational Efficiency

General and administrative expenses, excluding unit-based compensation expense and employee termination benefits and related expenses, declined by $2.2 million year-over-year to $10.0 million on a proportionate basis(1) (Q2 2025 - $12.2 million), reflecting the ongoing simplification of the REIT's platform. These savings reflect several initiatives over the past year, including the internalization of Vital Trust, the European portfolio sale, the closure of regional offices and the outsourcing of the REIT's Canadian facilities management platform. Following these actions, the REIT's headcount has declined to 136 from 229 a year earlier, and the REIT is targeting an annualized G&A run-rate, on the same basis, of approximately $35 million by the end of 2026.

Acquisition and Disposition Activity

On May 5, 2026, the REIT completed the sale of one non-core property in Tucson, USA at its fair value of $2.5 million.

Subsequent to quarter end, on July 23, 2026, the REIT completed the acquisition of the East New York Health Hub, a 142,000 sq ft, seven-storey, purpose-built integrated community health centre in Brooklyn, New York for US$89.9 million ($126.7 million). The property is 100% leased with approximately 11 years of remaining term and is anchored by AdvantageCare Physicians, one of New York City's largest integrated primary and specialty care networks. Following the acquisition, AdvantageCare Physicians is expected to rank among the REIT's 10 largest tenants by percentage of revenue, on a proportionate basis(1). The property is well-served by public transit, including direct access to the Liberty Avenue subway station and Broadway Junction, one of Brooklyn's major transit hubs.

The REIT has also agreed to acquire a 51,000 sq ft multi-tenant medical outpatient facility in Burlington, Ontario for $26.2 million. The transaction is subject to customary conditions, with closing expected in the third quarter of 2026, to be funded through existing liquidity.

Collectively, these completed and committed acquisitions represent approximately $150 million of investment at a capitalization rate of over 7.0% and a WALE of approximately nine years.

Development and Upzoning Activity

In July 2026, the REIT received City of Toronto approval for Official Plan and Zoning By-law Amendments for a transit-oriented, mixed-use redevelopment of Fairview Health Centre in Toronto. The approved framework permits approximately 980,000 sq ft of total gross floor area, including up to 1,302 residential units across three towers and approximately 100,000 sq ft of medical space. This approval increases the site’s permitted density while preserving its healthcare focus.

3.3. Portfolio Profile

Portfolio Overview

The REIT's portfolio is comprised of high-quality healthcare real estate leased to leading operators, with a significant portion subject to long-term, inflation-indexed lease structures. The portfolio is diversified by geography, asset type and tenant, with a mix of inpatient and outpatient facilities that are integral to healthcare delivery and generate stable cash flows.

As at June 30, 2026, the REIT held interests in 104 income-producing properties comprising approximately 11.1 million square feet of gross leasable area across North America, Brazil, Europe and Australia.

Geographic Diversification and Asset Mix

The REIT's portfolio is diversified across four core regions, providing exposure to multiple healthcare systems and tenant bases while maintaining consistent asset quality and lease characteristics.

North America

In North America, the portfolio is primarily comprised of outpatient facilities in Canada and the United States. Canadian outpatient facilities benefit from stable demand supported by Canada's publicly funded healthcare system, while assets in the United States include outpatient facilities and select inpatient facilities leased under long-term, triple-net, inflation-indexed arrangements.

Subsequent to quarter end, the REIT expanded its North American footprint with the acquisition of a purpose-built integrated community health centre in Brooklyn, New York and an agreement to acquire an additional facility in Canada. Refer to Section 3.2, "Key Performance Highlights".

Brazil

The Brazilian portfolio consists of institutional-quality inpatient facilities located in major markets, including São Paulo, Brasília and Rio de Janeiro, leased under long-term, uncapped, inflation-indexed, triple-net arrangements that deliver stable cash flows and consistent organic growth.

Europe

Following the completion of the European portfolio sale on June 30, 2026, the REIT's European portfolio comprises its approximately 30% interest in 10 German joint venture clinics and a wholly-owned four-building, hospital-adjacent medical outpatient campus in the Netherlands. These assets are supported by long lease terms and inflation-indexed lease structures within publicly funded healthcare systems.

The REIT holds a 30% interest in the European joint venture with an institutional partner. For certain assets within the joint venture, the REIT also holds an additional 5.1% direct ownership interest, resulting in an effective interest of 33.6% in those properties.

Refer to Section 3.2, "Key Performance Highlights" for further discussion of the European portfolio sale.

Australasia

In Australasia, the REIT holds interests in healthcare real estate across Australia and New Zealand through joint venture and investment structures. The portfolio includes inpatient facilities, outpatient facilities and other healthcare-related assets that generate stable and growing cash flows supported by tenancies with high-quality healthcare operators under long-term, inflation-indexed leases.

In Australia, the REIT holds a 30% interest in a joint venture and joint operations with an institutional partner (the "Australian JV"). In New Zealand, the REIT holds a 24% interest in Vital Trust, which is listed on the New Zealand Stock Exchange and accounted for under the equity method.

Portfolio Geographic Diversification and Asset Mix

The following table summarizes the REIT's portfolio by geography as at June 30, 2026:

	North America(iii)	Brazil	Europe (i)	Australia (i)	Consolidated Total (ii)
Number of properties	57	8	14	25	104
Asset mix by number of properties	77% Outpatient & 21% Inpatient & Healthcare Facilities & 2% Other	100% Inpatient	29% Outpatient & 71% Inpatient	12% Outpatient & 80% Inpatient & 8% Other	49% Outpatient & 48% Inpatient & 3% Other
Gross Leasable Area ("GLA") (million sf)	3.6	1.9	2.6	3.0	11.1
Total assets (millions) (Proportionate Basis)(1)	$1,399	$762	$320	$1,115	$3,636
Assets under management (millions)(iv)	$1,381	$754	$535	$2,930	$5,600
Occupancy	90.3%	100.0%	98.2%	100.0%	96.4%
WALE (years)	5.6	16.4	18.7	14.5	13.1
Average building age (years)	32	22	54	21	32
Weighted average overall capitalization rate (Proportionate Basis)(1)	6.68%	8.93%	6.43%	5.67%	6.96%

(i) Assets held through joint ventures are presented at 100%, except total assets and weighted average overall capitalization rate, which are presented on a proportionate basis.
(ii) Consolidated Total includes corporate assets and the Manager.
(iii) Occupancy for North America includes three properties under stabilization, where leasing or redevelopment initiatives are in progress. Excluding these properties, North America occupancy would be 93.0%.
(iv) Assets under management represent the aggregate fair value of investment properties, the quoted market price of the REIT's investment in Vital Trust units, lease assets, real estate related financial instruments and assets held for sale, including third-party interests in these assets. It differs from total assets (proportionate basis), which reflects the REIT's proportionate share of all assets, including cash and other non-real-estate balances.

Asset type definitions

Outpatient Facilities (formerly MOBs) are properties that provide medical services to patients who do not require overnight hospitalization. These assets are typically multi-tenant buildings accommodating physician practices, diagnostic services, minor surgical procedures and other outpatient care.

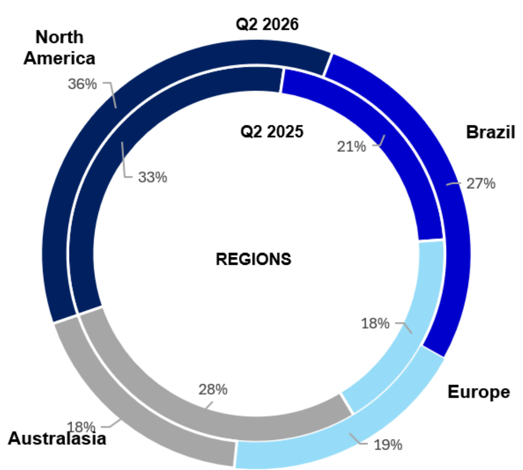
Inpatient Facilities (formerly Hospitals & Healthcare Facilities) are typically leased to a single tenant or hospital operator under long-term, inflation-indexed, triple-net lease structures. Under these arrangements, the REIT does not bear material operating cost or capital expenditure risk.

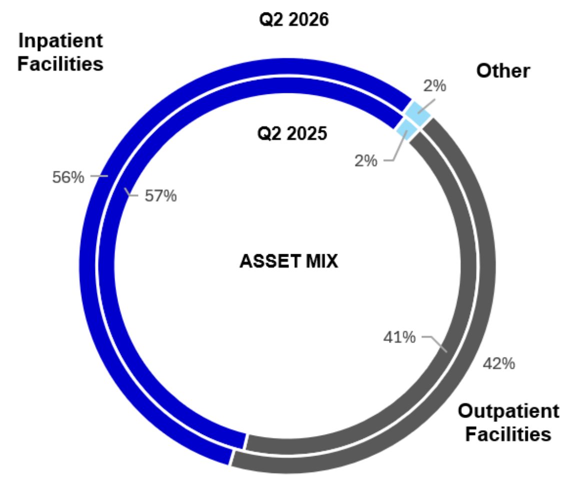
Other health research facilities ("Other") (formerly Life Sciences) consist primarily of properties leased to tenants engaged in medical research and development under long-term lease arrangements.

Diversification of Assets

The REIT's net operating income ("NOI") is well diversified by geography and asset type. The charts below present the geographic and asset mix of NOI on a proportionate basis[1] for the three months ended June 30, 2026, compared with the same period in 2025. The REIT's ongoing repositioning toward North America is reflected in the increase in North American NOI to 36% (from 33%), while the portfolio remains balanced across Brazil, Europe and Australasia.

Geographic Profile by NOI (Year-over-Year)	Asset Mix by NOI (Year-over-Year)





Tenant Mix

The following table summarizes the REIT's 10 largest tenants by percentage of revenue as measured on a proportionate basis[1] for the three months ended June 30, 2026, including number of locations by tenant. The REIT's top 10 tenants collectively represent 40.2% of revenue as measured on a proportionate basis[1], reflecting a broadly diversified tenant base.

	Tenant	Region [i]	% of Proportionate Revenue	# of Locations
1.	Rede D'Or	Brazil	19.7 %	7
2.	Healthscope	Australia	7.6 %	12
3.	Epworth Foundation	Australia	2.2 %	4
4.	PrairieCare, LLC	North America	2.1 %	1
5.	Stichting Albert Schweitzer Ziekenhuis	Europe	2.0 %	3
6.	Rush University Medical Center	North America	1.7 %	1
7.	Median Kliniken	Europe	1.6 %	8
8.	Hospital Sabara	Brazil	1.5 %	1
9.	Centre Intégré de Santé et de Services Sociaux (CISSS)	North America	1.0 %	5
10.	Erasmus Universitair Medisch Centrum Rotterdam	Europe	0.8 %	1
			40.2 %	**43**

(i) Australia and Europe are presented on a proportionate ownership basis for assets held through joint ventures. The REIT's ownership interests in these joint ventures ranges from 30.0% to 33.6%.

Additional information on the REIT's two largest tenants is provided below:

Rede D'Or is Brazil's largest integrated healthcare network, with more than 40 years of operating history and a broad national footprint. The company operates at scale across 14 states, with inpatient facilities primarily concentrated in São Paulo, Rio de Janeiro, Bahia, the Federal District and Pernambuco. Since 2004, Rede D'Or has grown significantly through strategic partnerships and acquisitions. As at June 30, 2026, Rede D'Or had an enterprise value of approximately $21 billion (R$76 billion), ranking it among Brazil's largest publicly traded companies. Rede D'Or is rated AAA (bra) on the Brazilian national scale by S&P Global Ratings and Fitch Ratings, each with a stable outlook. The REIT's leases with Rede D'Or are structured as long-term, uncapped, inflation-indexed, triple-net arrangements, with the earliest expiry in September 2034.

Healthscope Pty Ltd ("HSO") is the REIT’s second largest tenant, accounting for 7.6% of proportionate revenues, and occupies 12 properties, reflecting the REIT’s 30% ownership interest in these assets. Founded in 1985, HSO is Australia’s second largest private inpatient facilities operator, with a network of 37 private hospitals across all Australian states and territories, primarily located in major metropolitan markets, providing medical and surgical, mental health, rehabilitation and maternity services.

In May 2025, HSO's parent entities entered receivership. McGrathNicol Restructuring was appointed by HSO's lenders to oversee an orderly sale process, which remains ongoing. All hospitals continue to operate as usual.

As at the date of this MD&A, all rent owing from HSO has been received in full and HSO continues to meet all lease obligations.

As part of a bid submitted by Calvary Health Care ("Calvary") for the REIT’s portfolio of 12 assets, the REIT entered into a conditional lease agreement with Calvary on terms acceptable to the REIT. The agreement remains subject to the approval of the receiver and creditors. As discussions are ongoing, there can be no assurance as to the outcome or the potential impact on the REIT.

3.4. Leasing

Leasing Strategy and Impact on Results

The REIT’s leasing strategy is focused on maintaining stable occupancy, extending lease terms with healthcare operators and capturing contractual rent growth. The portfolio is characterized by long-term agreements with healthcare operators, limited tenant relocation risk and lease terms that are typically longer than those in other property types. These characteristics support earnings stability, same-property NOI growth and the reliability of cash flows available for distributions and debt service.

Lease Term Profile and Cash Flow Stability

As at June 30, 2026, the portfolio had a weighted average lease expiry (“WALE”) of 13.1 years, providing long-term income visibility and limiting near-term rollover risk. The lease expiry profile is anchored by long-term arrangements within the inpatient portfolio. The eight Brazilian inpatient facilities are single-tenant assets with lease expiries ranging from September 2034 to June 2048, while European inpatient facilities are predominantly single-tenant assets with an average WALE of 19.9 years. The expiry profile also reflects the long-term nature of the Australian portfolio, which has a WALE of 14.5 years.

Near-term lease expiries are primarily concentrated in outpatient facilities in North America and Europe, where leasing risk is mitigated by strong tenant demand and historically high renewal rates. These assets are typically occupied by long-tenured tenants with established operations in their respective markets. The limited volume of near-term maturities reduces short-term leasing risk and enhances income durability.

The following tables summarize the portfolio’s weighted average lease expiry by region and asset type, as well as the scheduled lease expiry profile as at June 30, 2026, excluding development projects.

Weighted Average Lease Expiry by Region and Asset Type

	Asset Mix			WALE (in years)			
	Outpatient Facilities	Inpatient Facilities	Other	Outpatient Facilities	Inpatient Facilities	Other	Total
North America	77%	21%	2%	4.6	8.8	17.4	5.6
Brazil	0%	100%	0%	—	16.4	—	16.4
Europe (i)	29%	71%	0%	9.3	19.9	—	18.7
Australia (ii)	12%	80%	8%	25.3	14.0	7.3	14.5
Total Portfolio	**49%**	**48%**	**3%**	**6.8**	**16.0**	**8.8**	**13.1**

(i) Europe is presented on a 100% basis for joint venture assets, notwithstanding the REIT's ownership interests of approximately 30%-33.6% in those joint ventures.
(ii) Australia is presented on a 100% basis for joint venture assets, notwithstanding the REIT's 30% ownership interest in the Australian joint venture.

Lease Expiry Profile by Region

	Remainder of 2026	2027	2028	2029	2030	2031	2032	2033	Thereafter	Total
North America	4.3 %	11.3 %	17.4 %	9.5 %	10.8 %	8.5 %	5.2 %	7.7 %	25.3 %	**100.0 %**
Brazil	— %	— %	— %	— %	— %	— %	— %	— %	100.0 %	**100.0 %**
Europe (i)	0.6 %	— %	— %	0.1 %	2.3 %	4.0 %	— %	— %	93.0 %	**100.0 %**
Australia (ii)	0.2 %	1.0 %	1.1 %	0.9 %	1.1 %	1.2 %	— %	2.9 %	91.6 %	**100.0 %**
Total Portfolio	**1.6 %**	**4.0 %**	**6.0 %**	**3.3 %**	**4.3 %**	**4.0 %**	**1.7 %**	**3.4 %**	**71.7 %**	**100.0 %**

(i) Europe is presented on a 100% basis for joint venture assets, notwithstanding the REIT's ownership interests of approximately 30%-33.6% in those joint ventures.
(ii) Australia is presented on a 100% basis for joint venture assets, notwithstanding the REIT's 30% ownership interest in the Australian joint venture.

The maturity profile demonstrates limited near-term rollover exposure, with the majority of expiries concentrated beyond 2033.

Inflation Protection and Contractual Rent Growth

As at June 30, 2026, 96.8% of the REIT's rental income was subject to contractual rent increases, primarily through inflation-linked or fixed-rate rent adjustments, providing embedded rental growth and a natural hedge against inflation. These contractual features support the resilience of same-property net operating income and enhance revenue visibility across market cycles.

Revenue Subject to Inflation-Linked or Fixed Rate Adjustments

	Inflation-Linked	Fixed-Rate	% of Total Rent
North America	21.3%	66.3%	87.6%
Brazil	100.0%	—%	100.0%
Europe (i)	96.6%	3.3%	99.9%
Australia (ii)	22.2%	77.5%	99.7%
Portfolio Weighted Average	**39.6%**	**57.2%**	**96.8%**

(i) Europe is presented on a 100% basis for joint venture assets, notwithstanding the REIT's ownership interests of approximately 30%-33.6% in those joint ventures.
(ii) Australia is presented on a 100% basis for joint venture assets, notwithstanding the REIT's 30% ownership interest in the Australian joint venture.

Occupancy and Leasing Activity

Portfolio occupancy was 96.4% as at June 30, 2026, unchanged from March 31, 2026. During the quarter, 47,000 sq ft of new leasing and 50,000 sq ft of renewals primarily in North America and Europe offset 95,000 sq ft of expiries, consistent with the long-term nature of the portfolio and limited tenant turnover.

The following table summarizes changes in occupancy during the three months ended June 30, 2026:

	Three months ended June 30, 2026				
(in thousands of square feet)	**North America (iv)**	**Brazil**	**Europe (i)**	**Australia (ii)**	**Total**
Occupancy as at March 31, 2026	90.3 %	100.0 %	97.3 %	100.0 %	96.4 %
Occupied area, March 31, 2026	3,290	1,882	4,405	3,051	12,628
Expiries	(19)	—	(75)	(1)	(95)
Early terminations	—	—	(19)	—	(19)
Renewals	10	—	40	—	50
New leasing	20	—	26	1	47
Dispositions	(12)	—	(1,842)	—	(1,854)
Other (iii)	(10)	—	—	—	(10)
Occupied area, June 30, 2026	3,279	1,882	2,535	3,051	10,747
Leasable area	3,630	1,882	2,582	3,051	11,145
Occupancy as at June 30, 2026	**90.3 %**	**100.0 %**	**98.2 %**	**100.0 %**	**96.4 %**
Early lease extensions	—	—	—	—	—

(i) Europe is presented on a 100% basis for joint venture assets, notwithstanding the REIT's ownership interests of approximately 30%-33.6% in those joint ventures.
(ii) Australia is presented on a 100% basis for joint venture assets, notwithstanding the REIT's 30% ownership interest in the Australian joint venture.
(iii) Other includes remeasurements and month-to-month leases.
(iv) Occupancy for North America includes three properties under stabilization, where leasing or redevelopment initiatives are in progress. Excluding these properties, North America occupancy would be 93.0%.

During the six months ended June 30, 2026, portfolio occupancy was unchanged at 96.4%, with 427,000 sq ft of expiries largely offset by 326,000 sq ft of renewals and 95,000 sq ft of new leasing.

The following table summarizes changes in occupancy during the six months ended June 30, 2026:

	Six months ended June 30, 2026				
(in thousands of square feet)	**North America (iv)**	**Brazil**	**Europe (i)**	**Australia (ii)**	**Total**
Occupancy as at December 31, 2025	90.6 %	100.0 %	97.2 %	100.0 %	96.4 %
Occupied area, December 31, 2025	3,233	1,882	4,402	3,051	12,568
Acquisitions	73	—	—	—	73
Expiries	(134)	—	(291)	(2)	(427)
Early terminations	(4)	—	(19)	—	(23)
Renewals	102	—	223	1	326
New leasing	32	—	62	1	95
Dispositions	(12)	—	(1,842)	—	(1,854)
Other (iii)	(11)	—	—	—	(11)
Occupied area, June 30, 2026	3,279	1,882	2,535	3,051	10,747
Leasable area	3,630	1,882	2,582	3,051	11,145
Occupancy as at June 30, 2026	**90.3 %**	**100.0 %**	**98.2 %**	**100.0 %**	**96.4 %**
Early lease extensions	—	—	—	—	—

(i) Europe is presented on a 100% basis for joint venture assets, notwithstanding the REIT's ownership interests of approximately 30%-33.6% in those joint ventures.
(ii) Australia is presented on a 100% basis for joint venture assets, notwithstanding the REIT's 30% ownership interest in the Australian joint venture.
(iii) Other includes remeasurements and month-to-month leases.
(iv) Occupancy for North America includes three properties under stabilization, where leasing or redevelopment initiatives are in progress. Excluding these properties, North America occupancy would be 93.0%.

Renewal Activity and Contractual Rent Growth

Renewal leasing during the three and six months ended June 30, 2026 supported tenant retention and organic rental growth. Renewal spreads reflect contractual rent escalators, asset quality and local market conditions.

	Three months ended June 30, 2026				Six months ended June 30, 2026			
	Expiring rate	**Renewal rate**	**Spread %**	**Retention %**	**Expiring rate**	**Renewal rate**	**Spread %**	**Retention %**
North America (CAD)[(1)]	$ 30.22	$ 29.53	(2.3)%	53 %	$ 20.04	$ 20.41	1.9 %	76 %
Brazil (BRL)	—	—	N/A	N/A	—	—	N/A	N/A
Europe (EUR)	14.83	15.06	1.6 %	53 %	14.83	15.06	1.6 %	77 %
Australia (AUD)	—	—	N/A	N/A	65.31	67.26	3.0 %	100 %

(1)Reflects limited renewal volume of approximately 19,000 square feet during the quarter and is not representative of portfolio-wide leasing activity.

Lease expiries during the three months ended June 30, 2026 were limited, with approximately 19,000 sq ft expiring in North America, representing a negligible portion of the REIT's portfolio. Of this, approximately 10,000 sq ft was renewed and a further 6,200 square feet was addressed through new leasing. Given the small volume of activity in the quarter, the resulting renewal spread and retention rate are not meaningful indicators of portfolio leasing performance. Renewal activity in Europe continued to reflect contractual rent escalators embedded in lease agreements.

During the six months ended June 30, 2026, the REIT renewed approximately 326,000 sq ft across North America, Europe and Australia at a weighted average spread of 2.6% over expiring rents, reflecting strong tenant retention consistent with historical trends and limited early terminations. On a year-to-date basis, renewal activity is more representative of the REIT's overall leasing performance given the limited volume of expiries in any single quarter.

3.5. Foreign Currency Translation

A significant portion of the REIT's investment properties and operations are located outside Canada. As a result, changes in the value of the Canadian dollar relative to foreign currencies affect the translation of those assets, liabilities and operating results into Canadian dollars. As at June 30, 2026, approximately 71% of the REIT's assets as measured on a proportionate basis(1) were denominated in currencies other than the Canadian dollar, primarily the Euro, U.S. dollar, Australian dollar, New Zealand dollar and Brazilian real.

The following table summarizes the average and period-end foreign exchange rates that had the most significant impact on the REIT's results:

	Average Exchange Rates						Period End Exchange Rates		
	Three Months Ended			Six Months Ended			As at		
	Jun 30, 2026	**Jun 30, 2025**	% Change	**Jun 30, 2026**	**Jun 30, 2025**	% Change	**Jun 30, 2026**	**Dec 31, 2025**	% Change
$ per €1.00	**1.609**	1.570	2.5 %	**1.607**	1.539	4.4 %	**1.622**	1.609	0.8 %
$ per US$1.00	**1.385**	1.384	0.1 %	**1.378**	1.409	(2.2)%	**1.422**	1.371	3.7 %
$ per A$1.00	**0.982**	0.886	10.8 %	**0.967**	0.893	8.3 %	**0.980**	0.916	7.0 %
$ per NZ$1.00	**0.808**	0.820	(1.5)%	**0.808**	0.817	(1.1)%	**0.805**	0.790	1.9 %
$ per R$1.00	**0.274**	0.244	12.3 %	**0.267**	0.245	9.2 %	**0.275**	0.250	9.8 %

The Canadian dollar weakened against most of the REIT's operating currencies during the quarter, most notably the Australian dollar (up 10.8%) and Brazilian real (up 12.3%), translating into higher reported earnings from those regions. This trend was broadly consistent on a year-to-date basis.

Income Statement Impact
The net impact of foreign exchange on reported results was positive for both the three and six months ended June 30, 2026, driven primarily by Canadian dollar weakness against the Australian dollar and Brazilian real. This was partially offset by a stronger Canadian dollar against the New Zealand dollar in both periods, and against the U.S. dollar on a year-to-date basis.

Balance Sheet Impact
The Canadian dollar weakened against each of the REIT's key operating currencies compared to December 31, 2025, increasing the translated value of foreign-denominated assets and liabilities overall.

Foreign Exchange Impact on Operating Results
The estimated impact of foreign exchange movements on operating results for the three and six months ended June 30, 2026, is summarized below:

($ thousands except where otherwise indicated)	Three months ended June 30, 2026 vs. 2025	Six months ended June 30, 2026 vs. 2025
Increase in NOI(1)	$ 3,091	$ 4,989
Increase in net income	1,791	1,849
Increase in FFO(1)	1,749	3,894
Increase in AFFO(1)	1,773	3,954
Increase in FFO(1) per unit	0.007	0.016
Increase in AFFO(1) per unit	0.007	0.016

Management monitors foreign exchange exposure but does not consider foreign currency movements to be indicative of underlying operating performance. The REIT mitigates this risk in part through the use of foreign-denominated debt at the asset or joint venture level, which provides a natural hedge against changes in the translated value of foreign-denominated assets. Derivative instruments are not currently used to hedge foreign currency exposure.

4. RESULTS FROM OPERATIONS

The results of operations for the REIT, as reported under IFRS, for the three and six months ended June 30, 2026, and 2025, are summarized below:

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2026	2025	$ Change	% Change	**2026**	2025	$ Change	% Change
Net property operating income								
Revenue from investment properties	**$ 66,090**	$ 99,004	$ (32,914)	(33)%	**$ 140,157**	$ 210,651	$ (70,494)	(33)%
Property operating costs	**(17,282)**	(22,696)	5,414	(24)%	**(43,865)**	(57,195)	13,330	(23)%
	48,808	76,308	(27,500)	(36)%	**96,292**	153,456	(57,164)	(37)%
Other income (expenses)								
Interest and other income	**1,541**	2,548	(1,007)	(40)%	**3,505**	8,729	(5,224)	(60)%
Management fees	**3,701**	3,590	111	3 %	**7,599**	7,363	236	3 %
Share of income (loss) from equity accounted investments	**2,937**	4,648	(1,711)	(37)%	**4,368**	(4,094)	8,462	(207)%
Finance costs	**(21,715)**	(33,571)	11,856	(35)%	**(41,994)**	(72,010)	30,016	(42)%
General and administrative expenses	**(14,214)**	(14,891)	677	(5)%	**(29,624)**	(29,739)	115	— %
Transaction costs	**(3,342)**	(2,390)	(952)	40 %	**(5,360)**	(11,822)	6,462	(55)%
Foreign exchange gain (loss)	**(740)**	5,474	(6,214)	(114)%	**(612)**	7,293	(7,905)	(108)%
Accretion of financial liabilities	**(386)**	(397)	11	(3)%	**(3,139)**	(3,816)	677	(18)%
Fair value adjustment of convertible debentures	**(1,973)**	(206)	(1,767)	858 %	**2,856**	(10,691)	13,547	(127)%
Fair value adjustment of financial instruments	**(1,778)**	(8,377)	6,599	(79)%	**(572)**	20,422	(20,994)	(103)%
Fair value adjustment of investment properties	**5,482**	13,619	(8,137)	(60)%	**(16,610)**	(32,728)	16,118	(49)%
Net loss on disposals of assets	**(10,772)**	(3,379)	(7,393)	219 %	**(10,901)**	(4,778)	(6,123)	128 %
Fair value adjustment of unit-based compensation liabilities	**548**	588	(40)	(7)%	**(433)**	(882)	449	(51)%
Income before taxes	**8,097**	43,564	(35,467)	(81)%	**5,375**	26,703	(21,328)	(80)%
Current income tax expense	**(15,094)**	(3,529)	(11,565)	328 %	**(17,476)**	(7,138)	(10,338)	145 %
Deferred income tax (expense) recovery	**7,276**	(7,414)	14,690	(198)%	**8,535**	(2,474)	11,009	(445)%
Income tax expense	**(7,818)**	(10,943)	3,125	(29)%	**(8,941)**	(9,612)	671	(7)%
Net income (loss)	**$ 279**	$ 32,621	$ (32,342)	(99)%	**$ (3,566)**	$ 17,091	$ (20,657)	(121)%
Net income (loss) attributable to:								
Unitholders	**$ 279**	$ 25,960	$ (25,681)	(99)%	**$ (3,566)**	$ 25,070	$ (28,636)	(114)%
Non-controlling interests	**—**	6,661	(6,661)	(100)%	**—**	(7,979)	7,979	(100)%
	$ 279	$ 32,621	$ (32,342)	(99)%	**$ (3,566)**	$ 17,091	$ (20,657)	(121)%

Three Months

Net income for the three months ended June 30, 2026 was $0.3 million, down from $32.6 million in 2025. The decline primarily reflects a $27.5 million decrease in net property operating income from non-core asset sales and the deconsolidation of Vital Trust, as well as lower fair value gains on investment properties, partially offset by $11.9 million of lower finance costs from debt reduction and lower rates.

Six Months

Net loss for the six months ended June 30, 2026 was $3.6 million, down from net income of $17.1 million in 2025. The decline primarily reflects a $57.2 million decrease in net property operating income from asset dispositions and the deconsolidation of Vital Trust, partially offset by a $30.0 million reduction in finance costs driven by debt repayments and a lower weighted average interest rate, and favourable fair value changes on convertible debentures and investment properties.

4.1. Components of Net Income (Loss)

Revenue from Investment Properties and Property Operating Costs

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
North America	**$ 21,464**	$ 21,207	$ 257	**$ 41,810**	$ 43,019	$ (1,209)
Brazil	**16,297**	13,929	2,368	**31,796**	27,903	3,893
Europe	**8,780**	8,320	460	**17,786**	16,629	1,157
Australasia	**2,267**	32,852	(30,585)	**4,900**	65,905	(61,005)
Net property operating income	**$ 48,808**	$ 76,308	$ (27,500)	**$ 96,292**	$ 153,456	$ (57,164)

Three Months

Net property operating income for the three months ended June 30, 2026 was $27.5 million lower than the comparative period, primarily due to the internalization of Vital Trust's management structure on December 30, 2025. As a result, Vital Trust was deconsolidated and no longer contributes to net property operating income, with its results now reflected in the REIT's share of income from equity accounted investments.

Excluding this impact, net property operating income increased, driven by higher revenue from investment properties in Brazil from the appreciation of the Brazilian real against the Canadian dollar and rent indexation across all regions, together with the contribution from a property acquired in Ottawa in March 2026.

Six Months

Net property operating income for the six months ended June 30, 2026 was $57.2 million lower than the comparative period, reflecting the deconsolidation of Vital Trust, following which its results are recognized in the REIT's share of income from equity accounted investments rather than in net property operating income.

Excluding this impact, net property operating income increased, driven by higher revenue from investment properties in Brazil from the appreciation of the Brazilian real against the Canadian dollar and rent indexation across all regions, together with the March 2026 Ottawa acquisition, partially offset by the disposal of five North American properties in the first half of 2025.

Interest and other income

Interest and other income decreased for the three and six months ended June 30, 2026, compared to the prior year, primarily due to the REIT no longer receiving distribution income from its investment in Assura following the full disposition of the asset by June 30, 2025.

Management fees

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
Base fee	**$ 3,621**	$ 7,512	$ (3,891)	**$ 7,465**	$ 15,314	$ (7,849)
Project and acquisition fees	**61**	882	(821)	**91**	1,271	(1,180)
Trustee fees	**184**	423	(239)	**364**	853	(489)
Other fees and cost reimbursements	**18**	19	(1)	**38**	39	(1)
Fees before elimination	**3,884**	8,836	(4,952)	**7,958**	17,477	(9,519)
Less: intercompany elimination	**(183)**	(5,246)	5,063	**(359)**	(10,114)	9,755
Management fees	**$ 3,701**	$ 3,590	$ 111	**$ 7,599**	$ 7,363	$ 236

Three and Six Months

The REIT earns market-based management fees through its wholly owned subsidiaries (the "Manager"), which provide asset, acquisition, and development management services to joint ventures in Australia and Europe.

Management fees before intercompany eliminations decreased as a result of Vital Trust's internalization and lower base fees earned from properties held through the REIT's joint venture in the Netherlands as a result of European portfolio property sales. The decrease was offset by an increase in fees from Australia due to favourable foreign exchange. Following the deconsolidation of Vital Trust, a smaller proportion of management fees is eliminated on consolidation, resulting in higher net management fees despite lower gross fees.

Finance costs

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
North America - Mortgages	**$ 2,581**	$ 3,655	$ (1,074)	**$ 5,586**	$ 9,196	$ (3,610)
Brazil - Term debt	**1,285**	1,379	(94)	**2,589**	2,833	(244)
Europe - Mortgages and term debt	**2,161**	2,289	(128)	**4,275**	5,442	(1,167)
Australasia - Term debt	**1,152**	14,896	(13,744)	**2,179**	29,957	(27,778)
Corporate						
Australasian secured financing	**832**	1,805	(973)	**1,640**	4,476	(2,836)
Corporate credit facility	**1,449**	978	471	**1,845**	3,228	(1,383)
Senior unsecured debentures	**6,645**	6,627	18	**13,290**	9,685	3,605
Convertible debentures	**4,078**	4,020	58	**8,153**	11,165	(3,012)
Interest expense before lease liabilities	**20,183**	35,649	(15,466)	**39,557**	75,982	(36,425)
Interest expense on lease liabilities	**207**	279	(72)	**342**	534	(192)
Interest expense	**20,390**	35,928	(15,538)	**39,899**	76,516	(36,617)
Capitalized interest	**(227)**	(5,153)	4,926	**(434)**	(10,651)	10,217
Amortization of financing costs	**1,552**	2,796	(1,244)	**2,529**	6,145	(3,616)
Finance costs	**$ 21,715**	$ 33,571	$ (11,856)	**$ 41,994**	$ 72,010	$ (30,016)

Three and Six Months

Finance costs decreased for the three and six months ended June 30, 2026 compared to the prior year, primarily reflecting the deconsolidation of Vital Trust, lower borrowing costs following the REIT's 2025 refinancing activity, and lower accelerated amortization of deferred financing costs.

Following the deconsolidation of Vital Trust on December 30, 2025, interest expense and capitalized interest related to Vital Trust are no longer included in finance costs and are instead reflected in the REIT's share of income from equity-accounted investments, accounting for a significant portion of the year-over-year decrease.

During 2025, the REIT issued senior unsecured debentures and used the proceeds, together with proceeds from the sale of Assura, to repay higher-cost debt, including European borrowings and certain corporate facilities, contributing to a reduction in overall borrowing costs in 2026.

Finance costs also benefited from lower accelerated amortization of deferred financing costs in 2026 compared to 2025 on the early repayment of debt. During the three and six months ended June 30, 2026, amortization of financing costs included $0.5 million in accelerated amortization as a result of early repayment of certain European mortgages using proceeds from the European portfolio sale. During the three and six months ended June 30, 2025, amortization of financing costs included $1.4 million and $3.4 million of accelerated amortization, respectively, due to early repayment of debt using proceeds from the sale of Assura units and the issuance of senior unsecured debentures.

General and administrative expenses

For the periods ended June 30 ($ thousands)	Three Months 2026	2025	$ Change	Six Months 2026	2025	$ Change
Salaries, benefits and other employee costs[i]	**$ 6,979**	$ 10,751	$ (3,772)	**$ 14,437**	$ 21,899	$ (7,462)
Unit-based compensation expense	**3,641**	1,018	2,623	**6,657**	3,591	3,066
Professional fees and corporate costs	**1,804**	2,608	(804)	**3,976**	4,795	$ (819)
Employee termination benefits and associated costs	**782**	1,234	(452)	**2,757**	1,616	1,141
Information technology costs	**769**	1,142	(373)	**1,764**	2,370	(606)
Office related costs	**902**	1,033	(131)	**1,534**	1,991	(457)
Management fee expense	**713**	285	428	**1,275**	441	834
Investor relations and public company costs	**519**	819	(300)	**1,002**	1,560	(558)
Other	**716**	848	(132)	**1,388**	1,621	(233)
	16,825	19,738	(2,913)	**34,790**	39,884	(5,094)
Less: Capitalized to properties under development	**(388)**	(1,581)	1,193	**(940)**	(3,164)	2,224
Less: Allocated to property operating expenses	**(2,223)**	(3,266)	1,043	**(4,226)**	(6,981)	2,755
General and administrative expenses	**$ 14,214**	$ 14,891	$ (677)	**$ 29,624**	$ 29,739	$ (115)
General and administrative expenses	**$ 14,214**	$ 14,891	$ (677)	**$ 29,624**	$ 29,739	$ (115)
Less: Unit-based compensation expense	**(3,641)**	(1,018)	(2,623)	**(6,657)**	(3,591)	(3,066)
Less: Employee termination benefits and associated costs	**(782)**	(1,234)	452	**(2,757)**	(1,616)	(1,141)
General and administrative expenses attributable to AFFO[1]	**$ 9,791**	$ 12,639	$ (2,848)	**$ 20,210**	$ 24,532	$ (4,322)

(i) Salaries, benefits and other employee costs are presented net of amounts allocated to transaction costs and net loss on disposal of assets.

Three and Six Months

Total general and administrative expenses declined by $2.9 million and $5.1 million for the three and six months ended June 30, 2026, respectively, primarily due to the internalization of Vital Trust's management structure, which lowered salaries, investor relations and office-related costs. These savings were partially offset by higher unit-based compensation and, on a year-to-date basis, higher employee termination benefits. Included in unit-based compensation for 2026 are accelerated amounts relating to employees settled following the European portfolio sale, whereas the 2025 comparatives were net of units forfeited and cancelled through application of the performance factor to the affected grants.

Net of amounts capitalized to properties under development and allocated to property operating expenses, general and administrative expenses were lower by $0.7 million and $0.1 million than in the prior year periods. The smaller decline reflects lower capitalized amounts and reduced allocation of costs to property operating costs following the transition to outsourced facilities management in North America during the fourth quarter of 2025.

For AFFO[1] purposes, which excludes employee termination benefits and unit-based compensation, general and administrative expenses were lower by $2.8 million and $4.3 million than the prior year, for the reasons noted above.

In connection with the internalization, the REIT and Vital Trust entered into a transitional services agreement under which each provides certain administrative and support services to each other for a limited period. During the three and six months ended June 30, 2026, the REIT incurred $0.2 million and $0.3 million of costs, respectively, under this arrangement, primarily reflected in management fee expense, which were recovered from Vital Trust and recognized in the relevant general and administrative expense categories.

Transaction costs

For the three and six months ended June 30, 2026, the REIT incurred transaction costs of $3.3 million and $5.4 million, respectively (three and six months ended June 30, 2025 - $2.4 million and $11.8 million, respectively). Transaction costs primarily include third-party advisory fees, legal and diligence costs, and internal compensation allocations related to acquisitions, dispositions, capital-raising initiatives and other strategic activities.

Fair value adjustments

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
Fair value adjustment of convertible debentures	**$ (1,973)**	$ (206)	$ (1,767)	**$ 2,856**	$ (10,691)	$ 13,547
Fair value adjustment of financial instruments	**(1,778)**	(8,377)	6,599	**(572)**	20,422	(20,994)
Fair value adjustment of investment properties	**5,482**	13,619	(8,137)	**(16,610)**	(32,728)	16,118
Fair value adjustment of unit-based compensation liabilities	**548**	588	(40)	**(433)**	(882)	449
Fair value adjustments	**$ 2,279**	$ 5,624	$ (3,345)	**$ (14,759)**	$ (23,879)	$ 9,120

Three and Six Months

Fair value adjustments for the three and six months ended June 30, 2026 reflect the following:

- Changes in the trading price of the REIT's convertible debentures;
- Movements in interest rates, yield curves and foreign exchange rates affecting financial instruments;
- Updates to valuation assumptions for investment properties, including properties classified as assets held for sale during the period; and
- Changes in the REIT's unit price impacting unit-based compensation liabilities.

Net loss on disposal of assets

Net loss on disposal of assets was $10.8 million and $10.9 million for the three and six months ended June 30, 2026, compared to net loss of $3.4 million and $4.8 million in the same period in 2025. The loss in 2026 relates primarily to the European portfolio sales, including direct transaction costs, partially offset by foreign currency translation gain recycled into net income. The prior year losses primarily related to the disposal of investment properties, including associated transaction costs and allocated compensation expenses.

Income tax expense

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
Transactional current income tax expense	**$ (13,632)**	$ —	$ (13,632)	**$ (14,568)**	$ —	$ (14,568)
Other current income tax	**(1,462)**	(3,529)	2,067	**(2,908)**	(7,138)	4,230
Current income tax expense	**(15,094)**	(3,529)	(11,565)	**(17,476)**	(7,138)	(10,338)
Deferred income tax (expense) recovery	**7,276**	(7,414)	14,690	**8,535**	(2,474)	11,009
Income tax expense	**$ (7,818)**	$ (10,943)	$ 3,125	**$ (8,941)**	$ (9,612)	$ 671

Three and Six Months

Current income tax expense in the quarter primarily relates to taxable gains arising from the sale of the REIT's European portfolio assets and internalization of Vital Trust.

Excluding transaction related current taxes, current tax expense for the three and six months ended June 30, 2026 is $1.5 million and $2.9 million, respectively (three and six months ended June 30, 2025 - $3.5 million and $7.1 million). The residual current income tax expense relates to taxable earnings in Europe, as well as withholding taxes in Australia and Brazil.

Deferred income tax is mainly driven by changes in the carrying values of investment properties and the impact of investment property sales. The REIT recorded a deferred tax recovery in 2026, compared to a deferred tax expense in 2025, primarily reflecting the impact of the sale of the European portfolio assets in 2026 and the impact of the deconsolidation of Vital Trust.

4.2. Results from Operations (Proportionate)[1]

	For the three months ended					
	June 30, 2026			June 30, 2025		
($ thousands)	**IFRS Basis**	Adjustments	**Proportionate Basis[1]**	IFRS Basis	Adjustments	Proportionate Basis[1]
Net operating income						
Revenue from investment properties	**$ 66,090**	$ 12,645	**$ 78,735**	$ 99,004	$ (13,605)	$ 85,399
Property operating costs	**(17,282)**	(1,891)	**(19,173)**	(22,696)	2,259	(20,437)
	48,808	10,754	**59,562**	76,308	(11,346)	64,962
Other income (expenses)						
Interest and other income	**1,541**	(307)	**1,234**	2,548	(1,113)	1,435
Management fees	**3,701**	(975)	**2,726**	3,590	2,687	6,277
Share of income (loss) from equity accounted investments	**2,937**	(2,937)	**—**	4,648	(4,648)	—
Non-cash equity income from Vital Trust	**—**	(2,234)	**(2,234)**	—	—	—
Distributions from Vital Trust	**—**	3,850	**3,850**	—	—	—
Finance costs	**(21,715)**	(5,217)	**(26,932)**	(33,571)	1,665	(31,906)
General and administrative expenses	**(14,214)**	(253)	**(14,467)**	(14,891)	391	(14,500)
Transaction costs	**(3,342)**	21	**(3,321)**	(2,390)	6	(2,384)
Foreign exchange gain (loss)	**(740)**	—	**(740)**	5,474	(1,356)	4,118
Accretion of financial liabilities	**(386)**	—	**(386)**	(397)	—	(397)
Fair value adjustment of convertible debentures	**(1,973)**	—	**(1,973)**	(206)	—	(206)
Fair value adjustment of financial instruments	**(1,778)**	(687)	**(2,465)**	(8,377)	5,225	(3,152)
Fair value adjustment of investment properties	**5,482**	2,376	**7,858**	13,619	(3,791)	9,828
Net loss on disposals of assets	**(10,772)**	(4,213)	**(14,985)**	(3,379)	180	(3,199)
Fair value adjustment of unit-based compensation liabilities	**548**	—	**548**	588	—	588
Income before taxes	**8,097**	178	**8,275**	43,564	(12,100)	31,464
Current income tax expense	**(15,094)**	40	**(15,054)**	(3,529)	1,821	(1,708)
Deferred income tax (expense) recovery	**7,276**	(218)	**7,058**	(7,414)	3,618	(3,796)
Income tax expense	**(7,818)**	(178)	**(7,996)**	(10,943)	5,439	(5,504)
Net income (loss)	**$ 279**	$ —	**$ 279**	$ 32,621	$ (6,661)	$ 25,960
Less: non-controlling interests	**—**	—	**—**	6,661	(6,661)	—
Net income (loss) attributable to unitholders	**$ 279**	$ —	**$ 279**	$ 25,960	$ —	$ 25,960

($ thousands)	For the six months ended June 30, 2026 IFRS Basis	Adjustments	Proportionate Basis[(1)]	June 30, 2025 IFRS Basis	Adjustments	Proportionate Basis[(1)]
Net operating income						
Revenue from investment properties	**$ 140,157**	$ 25,207	**$ 165,364**	$ 210,651	$ (27,721)	$ 182,930
Property operating costs	**(43,865)**	(3,441)	**(47,306)**	(57,195)	5,057	(52,138)
	96,292	21,766	**118,058**	153,456	(22,664)	130,792
Other income (expenses)						
Interest and other income	**3,505**	(1,126)	**2,379**	8,729	(2,097)	6,632
Management fees	**7,599**	(2,059)	**5,540**	7,363	5,096	12,459
Share of income (loss) from equity accounted investments	**4,368**	(4,368)	**—**	(4,094)	4,094	—
Non-cash equity income from Vital Trust	**—**	2,452	**2,452**	—	—	—
Distributions from Vital Trust	**—**	7,584	**7,584**	—	—	—
Finance costs	**(41,994)**	(10,204)	**(52,198)**	(72,010)	3,065	(68,945)
General and administrative expenses	**(29,624)**	(456)	**(30,080)**	(29,739)	575	(29,164)
Transaction costs	**(5,360)**	—	**(5,360)**	(11,822)	6	(11,816)
Foreign exchange gain (loss)	**(612)**	—	**(612)**	7,293	(1,521)	5,772
Accretion of financial liabilities	**(3,139)**	—	**(3,139)**	(3,816)	—	(3,816)
Fair value adjustment of convertible debentures	**2,856**	—	**2,856**	(10,691)	—	(10,691)
Fair value adjustment of financial instruments	**(572)**	733	**161**	20,422	7,632	28,054
Fair value adjustment of investment properties	**(16,610)**	(10,156)	**(26,766)**	(32,728)	9,373	(23,355)
Net loss on disposals of assets	**(10,901)**	(4,213)	**(15,114)**	(4,778)	212	(4,566)
Fair value adjustment of unit-based compensation liabilities	**(433)**	—	**(433)**	(882)	—	(882)
Income (loss) before taxes	**5,375**	(47)	**5,328**	26,703	3,771	30,474
Current income tax expense	**(17,476)**	162	**(17,314)**	(7,138)	3,236	(3,902)
Deferred income tax (expense) recovery	**8,535**	(115)	**8,420**	(2,474)	972	(1,502)
Income tax expense	**(8,941)**	47	**(8,894)**	(9,612)	4,208	(5,404)
Net income (loss)	**$ (3,566)**	$ —	**$ (3,566)**	$ 17,091	$ 7,979	$ 25,070
Less: non-controlling interests	**—**	—	**—**	(7,979)	7,979	—
Net income (loss) attributable to unitholders	**$ (3,566)**	$ —	**$ (3,566)**	$ 25,070	$ —	$ 25,070

4.3. Net Operating Income (Proportionate)[1]

Summary

For the periods ended June 30 ($ thousands)	Three Months 2026	2025	$ Change	% Change	Six Months 2026	2025	$ Change	% Change
Rental revenue	**$ 67,100**	$ 64,736	$ 2,364	3.7 %	**$ 141,809**	$ 138,322	$ 3,487	2.5 %
Operating expenses	**(16,062)**	(14,836)	(1,226)	8.3 %	**(40,931)**	(39,770)	(1,161)	2.9 %
Same-property NOI [1]	**51,038**	49,900	1,138	2.3 %	**100,878**	98,552	2,326	2.4 %
Straight-line rental revenue	**763**	1,313	(550)		**1,493**	3,063	(1,570)	
Lease termination fees	**—**	—	—		**51**	14	37	
Foreign currency translation	**—**	(3,976)	3,976		**—**	(6,308)	6,308	
Vital Trust NOI	**—**	9,649	(9,649)		**—**	18,670	(18,670)	
Acquisitions / Dispositions	**7,492**	8,077	(585)		**15,107**	16,684	(1,577)	
Other	**269**	(1)	270		**529**	117	412	
Net Operating Income[1]	**$ 59,562**	$ 64,962	$ (5,400)	(8.3)%	**$ 118,058**	$ 130,792	$ (12,734)	(9.7)%

Same-property net operating income for the three and six months ended June 30, 2026 increased by 2.3% and 2.4%, respectively, compared with the same periods in the prior year. The growth was primarily driven by contractual rent adjustments, including inflation-linked increases, as well as rentalized capital expenditures and improved recoveries. Excluding the impact of the outsourcing of facilities operations in North America, same-property net operating income would have increased by approximately 3.2% and 3.3%, respectively.

This performance reflects the stability of the REIT's lease profile, supported by a weighted average lease expiry of 13.1 years.

For 2026, net operating income excludes any contribution from Vital Trust, as the REIT no longer recognizes Vital Trust's net operating income on a proportionate basis and instead records distributions and non-cash equity income from Vital Trust. Refer to Section 1.1, "Basis for Presentation" for further details.

North America

For the periods ended June 30 ($ thousands)	Three Months 2026	2025	$ Change	% Change	Six Months 2026	2025	$ Change	% Change
Rental revenue	**$ 33,302**	$ 32,584	$ 718	2.2 %	**$ 73,721**	$ 72,631	$ 1,090	1.5 %
Operating expenses	**(13,290)**	(12,776)	(514)	4.0 %	**(33,855)**	(33,188)	(667)	2.0 %
Same-property NOI [1]	**20,012**	19,808	204	1.0 %	**39,866**	39,443	423	1.1 %
Straight-line rental revenue	**432**	559	(127)		**878**	1,249	(371)	
Lease termination fees	**—**	—	—		**51**	14	37	
Foreign currency translation	**—**	(6)	6		**—**	311	(311)	
Acquisitions / Dispositions	**938**	675	263		**983**	1,687	(704)	
Other	**82**	171	(89)		**32**	315	(283)	
Net Operating Income[1]	**$ 21,464**	$ 21,207	$ 257	1.2 %	**$ 41,810**	$ 43,019	$ (1,209)	(2.8)%

Same-property net operating income in North America increased by 1.0% and 1.1%, respectively, for the three and six months ended June 30, 2026, compared to the same periods in the prior year. The increase was primarily attributable to contractual rent escalations and step-ups, as well as higher parking income. These gains were partially offset by higher property operating costs associated with the transition to outsourced facilities operations effective November 1, 2025.

Excluding the impact of the outsourcing of facilities operations, same-property net operating income would have increased by 3.3% for both the three and six months ended June 30, 2026, compared to the prior year.

Brazil

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2026	2025	$ Change	% Change	**2026**	2025	$ Change	% Change
Rental revenue	**$ 16,237**	$ 15,563	$ 674	4.3 %	**$ 33,508**	$ 32,107	$ 1,401	4.4 %
Operating expenses	**—**	—	—	— %	**(1,830)**	(1,743)	(87)	5.0 %
Same-property NOI (1)	**16,237**	15,563	674	4.3 %	**31,678**	30,364	1,314	4.3 %
Straight-line rental revenue	**60**	60	—		**118**	108	10	
Foreign currency translation	**—**	(1,694)	1,694		**—**	(2,569)	2,569	
Net Operating Income(1)	**$ 16,297**	$ 13,929	$ 2,368	17.0 %	**$ 31,796**	$ 27,903	$ 3,893	14.0 %

Same-property net operating income in Brazil increased by 4.3% for the three and six months ended June 30, 2026 compared to the same periods in the prior year, primarily driven by inflationary rent adjustments. Reported net operating income growth of 17.0% and 14.0%, respectively, also reflected the appreciation of the Brazilian real against the Canadian dollar.

Europe

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2026	2025	$ Change	% Change	**2026**	2025	$ Change	% Change
Rental revenue	**$ 5,355**	$ 5,283	$ 72	1.4 %	**$ 10,912**	$ 10,575	$ 337	3.2 %
Operating expenses	**(854)**	(837)	(17)	2.0 %	**(1,823)**	(1,596)	(227)	14.2 %
Same-property NOI (1)	**4,501**	4,446	55	1.2 %	**9,089**	8,979	110	1.2 %
Straight-line rental revenue	**(43)**	11	(54)		**(86)**	11	(97)	
Foreign currency translation	**—**	(292)	292		**—**	(1,131)	1,131	
Acquisitions / Dispositions	**6,554**	7,402	(848)		**14,124**	14,997	(873)	
Other	**19**	(158)	177		**104**	(182)	286	
Net Operating Income(1)	**$ 11,031**	$ 11,409	$ (378)	(3.3)%	**$ 23,231**	$ 22,674	$ 557	2.5 %

In Europe, same-property net operating income for both the three and six months ended June 30, 2026 increased by 1.2%, compared to the same periods in the prior year, primarily driven by increased occupancy and rental revenue growth from indexation increases.

Australasia

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2026	2025	$ Change	% Change	**2026**	2025	$ Change	% Change
Rental revenue	**$ 12,206**	$ 11,306	$ 900	8.0 %	**$ 23,668**	$ 23,009	$ 659	2.9 %
Operating expenses	**(1,918)**	(1,223)	(695)	56.8 %	**(3,423)**	(3,243)	(180)	5.6 %
Same-property NOI (1)	**10,288**	10,083	205	2.0 %	**20,245**	19,766	479	2.4 %
Straight-line rental revenue	**314**	683	(369)		**583**	1,695	(1,112)	
Foreign currency translation	**—**	(1,984)	1,984		**—**	(2,919)	2,919	
Vital Trust NOI	**—**	9,649	(9,649)		**—**	18,670	(18,670)	
Other	**168**	(14)	182		**393**	(16)	409	
Net Operating Income(1)	**$ 10,770**	$ 18,417	$ (7,647)	(41.5)%	**$ 21,221**	$ 37,196	$ (15,975)	(42.9)%

Same-property net operating income in Australasia increased by 2.0% and 2.4%, respectively, for the three and six months ended June 30, 2026, compared to the same periods in the prior year, primarily driven by contractual rent indexation, partially offset by higher operating costs.

4.4. Funds from Operations and Adjusted Funds from Operations[1]

Funds From Operations ("FFO")[1] and Adjusted Funds From Operations ("AFFO")[1] are key performance indicators used by management to assess operating performance and distribution sustainability. These measures supplement IFRS results by focusing on the REIT's recurring operating and cash-generating performance.

FFO[1] and AFFO[1] are not defined under IFRS and may not be comparable to similar measures presented by other issuers. Detailed definitions and reconciliations to IFRS net income, and descriptions of the adjustments applied in determining FFO[1] and AFFO[1] are provided in Section 11.2, "Funds from Operations ("FFO")" and Section 11.3, "Adjusted Funds from Operations ("AFFO")", respectively.

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	Change	**2026**	2025	Change
Funds from Operations[1]	**$ 26,209**	$ 26,521	$ (312)	**$ 52,837**	$ 50,740	$ 2,097
FFO[1] per unit - basic	**0.10**	0.11	(0.01)	**0.21**	0.20	0.01
FFO[1] per unit - diluted	**0.10**	0.11	(0.01)	**0.21**	0.20	0.01
FFO[1] payout ratio	**86 %**	84 %	2.0 %	**85 %**	88 %	(3.0)%
FFO, excluding accelerated amortization of deferred financing costs[1]	**$ 26,747**	$ 27,968	$ (1,221)	**$ 53,375**	$ 54,090	$ (715)
FFO per unit – diluted, excluding accelerated amortization of deferred financing costs[1]	**0.11**	0.11	—	**0.21**	0.22	(0.01)
Adjusted Funds from Operations[1]	**$ 26,359**	$ 25,407	$ 952	**$ 52,116**	$ 49,755	$ 2,361
AFFO[1] per unit - basic	**0.11**	0.10	0.01	**0.21**	0.20	0.01
AFFO[1] per unit - diluted	**0.11**	0.10	0.01	**0.21**	0.20	0.01
AFFO[1] payout ratio	**85 %**	88 %	(3.0)%	**86 %**	90 %	(4.0)%
Distributions declared per unit	**$ 0.09**	$ 0.09	—	**$ 0.18**	$ 0.18	—
Weighted avg number of units outstanding - basic	**250,014,383**	248,856,278	1,158,105	**250,005,559**	248,482,289	1,523,270
Weighted avg number of units outstanding - diluted	**250,852,728**	249,941,309	911,419	**250,901,539**	249,528,523	1,373,016
Number of units outstanding, period end - diluted	**251,005,656**	250,558,128	447,528	**251,005,656**	250,558,128	447,528

Funds from Operations[1]

The discussion below summarizes the key drivers of FFO[1] for the three and six months ended June 30, 2026 compared to the prior year period. FFO[1] is intended to reflect the REIT's recurring operating performance, excluding the impact of fair value adjustments and other non-cash items.

Three Months	Six Months
FFO[1] decreased compared to the same period in the prior year, primarily driven by lower management fee income as a result of Vital Trust's internalization. In addition, since the internalization of Vital Trust, the REIT includes distributions from Vital Trust in FFO rather than its proportionate share of Vital Trust's FFO. Distributions received in the current period were lower than the prior year FFO contribution from Vital Trust, resulting in a reduced contribution year-over-year. These decreases were partially offset by lower finance costs and higher net operating income from same-property growth and the acquisition of the Ottawa transitional care facility. The reduction in finance costs reflects changes in the REIT's capital structure, including the use of proceeds from prior period asset dispositions to repay higher-cost debt.	FFO[1] increased for the six months ended June 30, 2026 compared to the prior year, primarily reflecting lower interest expense following debt repayments and higher net operating income as a result of rent indexation, and the acquisition of the Ottawa transitional care facility. This increase was partially offset by lower management fee income as a result of Vital Trust's internalization and the shift to recognizing distributions from Vital Trust in FFO rather than its proportionate share of Vital Trust's FFO. Distribution income declined following the full disposition of the REIT's investments in unlisted securities and Assura units by the second quarter of 2025, while general and administrative expenses increased, primarily due to higher unit-based compensation.

Adjusted Funds from Operations[1]

The discussion below summarizes the key drivers of AFFO[1] for the three and six months ended June 30, 2026, compared to the prior year period. AFFO[1] is intended to reflect recurring cash flows available for distribution after adjusting for leasing costs and maintenance capital expenditures. AFFO[1] is one of several measures used by management to assess distribution levels, together with the REIT's overall liquidity and capital requirements.

Three Months	Six Months
AFFO[1] increased compared to the same period in the prior year, primarily reflecting a higher unit-based compensation adjustment, which more than offset the decrease in FFO[1] discussed above. This was partially offset by a lower adjustment for deferred financing costs, reflecting a reduced level of early debt repayments in the current period.	AFFO[1] increased compared to the prior year, reflecting the increase in FFO[1] discussed above together with a higher unit-based compensation adjustment. This was partially offset by a lower adjustment for deferred financing costs, reflecting a reduced level of early debt repayments in the current period.

As leasing costs and maintenance capital expenditures are key components of AFFO[1], the section below provides additional detail on expenditures incurred during the period and the related AFFO[1] adjustments.

Leasing Costs and Non-Recoverable Maintenance Capital Expenditures (Proportionate Basis)[(1)]

Leasing costs and maintenance capital expenditures represent recurring cash outflows required to maintain the REIT's properties in operating condition and support leasing activity. These costs include tenant improvements, leasing commissions, internal leasing costs, and recurring maintenance capital expenditures, and are presented on a proportionate basis[(1)].

AFFO[(1)] includes an adjustment for leasing costs and non-recoverable maintenance capital expenditures intended to reflect the REIT's expected recurring capital requirements over time. In determining this adjustment, management considers historical leasing activity, anticipated maintenance requirements and planned capital programs. Expenditures related to development, redevelopment and expansion activities are excluded, as these are not considered recurring in nature.

Actual leasing costs and maintenance capital expenditures can vary between periods due to the timing of lease renewals, tenant turnover and capital programs. The table below summarizes leasing and maintenance capital expenditures incurred during the period and illustrates the relationship to the AFFO[(1)]adjustment.

For the three months ended June 30, 2026, actual leasing costs and non-recoverable maintenance capital expenditures were $0.2 million above the AFFO[(1)] adjustment, while for the six months ended June 30, 2026 they were $0.6 million below, reflecting the timing of leasing and capital activity.

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
Additions to investment properties						
Leasing costs[(i)]	**$ 401**	$ 218	$ 183	**$ 1,163**	$ 1,983	$ (820)
Tenant improvements[(ii)]	**1,757**	3,402	(1,645)	**3,051**	4,495	(1,444)
Maintenance capital expenditures	**1,318**	1,500	(182)	**2,584**	3,053	(469)
Other capital expenditures	**3,033**	1,571	1,462	**4,831**	5,316	(485)
	6,509	6,691	(182)	**11,629**	14,847	(3,218)
Internal leasing costs expensed	**657**	439	218	**1,206**	839	367
	7,166	7,130	36	**12,835**	15,686	(2,851)
Less:						
Recoverable maintenance capital expenditures	**(1,152)**	(654)	(498)	**(1,469)**	(749)	(720)
Other value enhancing leasing and capital expenditures	**(2,639)**	(2,832)	193	**(5,620)**	(7,393)	1,773
Leasing costs and non-recoverable maintenance capital expenditures	**3,375**	3,644	(269)	**5,746**	7,544	(1,798)
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	**(3,193)**	(3,036)	(157)	**(6,368)**	(6,077)	(291)
Leasing costs and non-recoverable maintenance capital expenditures above or (below) the AFFO adjustment	**$ 182**	$ 608	$ (426)	**$ (622)**	$ 1,467	$ (2,089)

(i) Leasing costs exclude internal leasing department compensation costs, which are expensed as incurred.
(ii) Tenant improvements include tenant allowances, landlord work and other maintenance-related activities.

Leasing costs and maintenance capital expenditures are generally lower and more predictable in the REIT's Brazil and Australasia portfolios due to long-term, triple-net lease structures and are therefore reflected on an actual basis. In contrast, the REIT's Canadian and European medical outpatient portfolios are subject to the AFFO[(1)] adjustment for leasing costs and non-recoverable maintenance capital expenditures, which may result in actual expenditures being above or below the adjustment in a given period.

For additional detail, including a regional breakdown, see Section 11.4, "Leasing Costs and Non-Recoverable Maintenance Capital Expenditures (Proportionate Basis)".

5. BALANCE SHEET

The following table reconciles the balance sheets prepared on an IFRS basis to a proportionate basis[1] as at June 30, 2026 and December 31, 2025:

	As at June 30, 2026			As at December 31, 2025		
($ thousands)	**IFRS Basis**	**Adjustments to Proportionate Basis**	**Proportionate Basis[1]**	IFRS Basis	Adjustments to Proportionate Basis	Proportionate Basis[1]
Assets						
Investment properties	**$ 2,435,561**	$ 748,467	**$ 3,184,028**	$ 2,270,989	$ 711,689	$ 2,982,678
Equity accounted investments	**646,539**	(646,539)	**—**	650,540	(650,540)	—
Investment in Vital Trust	**—**	320,847	**320,847**	—	302,206	302,206
Deferred tax assets	**2,918**	—	**2,918**	2,668	—	2,668
Accounts receivable and other assets	**48,043**	4,652	**52,695**	46,844	6,010	52,854
Assets held for sale	**—**	—	**—**	383,968	77,902	461,870
Cash and cash equivalents	**63,392**	12,042	**75,434**	94,081	13,379	107,460
Total assets	**$ 3,196,453**	$ 439,469	**$ 3,635,922**	$ 3,449,090	$ 460,646	$ 3,909,736
Liabilities						
Mortgages and term debt	**$ 434,134**	$ 429,076	**$ 863,210**	$ 613,487	$ 405,152	$ 1,018,639
Credit facility	**76,344**	—	**76,344**	—	—	—
Debentures	**741,331**	—	**741,331**	746,631	—	746,631
Deferred tax liabilities	**250,513**	2,629	**253,142**	240,340	2,561	242,901
Accounts payable and other liabilities	**152,422**	7,764	**160,186**	120,721	10,979	131,700
Liabilities related to assets held for sale	**—**	—	**—**	221,065	41,954	263,019
Total liabilities	**1,654,744**	439,469	**2,094,213**	1,942,244	460,646	2,402,890
Equity						
Unitholders' equity	**1,541,709**	—	**1,541,709**	1,506,846	—	1,506,846
Total liabilities and equity	**$ 3,196,453**	$ 439,469	**$ 3,635,922**	$ 3,449,090	$ 460,646	$ 3,909,736

Balance Sheet Analysis (IFRS)

Line Item	$ Change	Variance Commentary
Investment properties and Assets held for sale	$ (219,396)	The decrease primarily reflects the disposition of the wholly-owned European portfolio (fair value of $357.6 million) and fair value losses of $16.6 million, largely from transaction price adjustments on the European assets. These were partially offset by the $51.3 million Ottawa acquisition, favourable foreign currency translation of $90.7 million, and capital additions of $13.8 million.
Equity accounted investments	(4,001)	This reflects the REIT's share of equity-accounted income, distributions received, changes in the carrying value of its investment in Vital Trust, and foreign exchange movements.
Accounts receivable and other assets, and Accounts payable and other liabilities	(30,502)	The change primarily reflects higher accounts payable, including accrued taxes on the European disposition, timing of interest payments on the REIT's unsecured and convertible debentures, and higher unit-based compensation liabilities. Accounts receivable movements reflect the recognition of a new head office lease and normal-course activity, partially offset by the derecognition of derivative instruments associated with the disposed European mortgages.
Cash and cash equivalents	(30,689)	The decrease primarily reflects debt repayments funded by proceeds from the Vital Trust internalization and the European dispositions, capital expenditures, and distributions paid to unitholders, partially offset by operating cash flow and foreign exchange gains.
Mortgages and term debt, Credit facility, and Liabilities related to assets held for sale	(324,074)	The decrease was primarily due to settlement of $314.2 million of European mortgages as a result of the disposition of properties, and repayments on the revolving credit facility using proceeds from dispositions, partially offset by acquisition of a $51.3 million property in North America using capacity under the REIT's revolving credit facility.
Debentures	(5,300)	The decrease primarily reflects favourable fair value adjustments on convertible debentures and the repurchase and cancellation of convertible debentures under the NCIB.
Deferred taxes	(9,923)	This reflects net deferred tax movements primarily arising from the impact of investment property sales, favourable changes in the carrying values of investment properties, and the appreciation of the Brazilian real against the Canadian dollar.
Equity	34,863	The increase primarily reflects foreign currency translation adjustments and net income for the period, partially offset by distributions paid to unitholders.

6. INVESTMENT PROPERTIES

Continuity

As at June 30, 2026, the estimated fair value of investment properties on a proportionate basis(1) was $3.2 billion, compared to $3.0 billion at December 31, 2025, reflecting an implied weighted average capitalization rate of 6.96% (December 31, 2025 - 6.90%). The investment properties presented below exclude the European portfolio, which was classified as held for sale at December 31, 2025 and March 31, 2026.

The change in investment properties during the three and six months ended June 30, 2026 primarily reflects favourable foreign currency translation of $50.7 million and $132.6 million on a proportionate basis(1), respectively, together with fair value adjustments, partially offset by the disposition of one property in Tucson, USA. The six-month period also reflects the first-quarter acquisition of a property in Ottawa for $51.3 million.

The change in investment properties on both an IFRS and proportionate basis(1) for the three months ended June 30, 2026 is summarized below:

	Income Producing Properties		Properties Under Development		Investment Properties	
($ thousands)	IFRS Basis	Proportionate Basis(1)	IFRS Basis	Proportionate Basis(1)	IFRS Basis	Proportionate Basis(1)
Opening, March 31, 2026	$ 2,370,712	$ 3,095,656	$ 14,983	$ 18,233	$ 2,385,695	$ 3,113,889
Additions to investment properties	4,175	5,525	2,921	3,058	7,096	8,583
Amortization of straight line rent	905	929	—	—	905	929
Dispositions	(2,527)	(2,527)	—	—	(2,527)	(2,527)
Fair value adjustment of investment properties(i)	9,844	12,702	(193)	(258)	9,651	12,444
Foreign currency translation	34,741	50,638	—	72	34,741	50,710
Ending, June 30, 2026	**$ 2,417,850**	**$ 3,162,923**	**$ 17,711**	**$ 21,105**	**$ 2,435,561**	**$ 3,184,028**

(i) Excludes fair value adjustments on properties classified as assets held for sale, which are included in the consolidated statements of income and comprehensive income.

The change in investment properties on both an IFRS and proportionate basis(1) for the six months ended June 30, 2026 is summarized below:

	Income Producing Properties		Properties Under Development		Investment Properties	
($ thousands)	IFRS Basis	Proportionate Basis(1)	IFRS Basis	Proportionate Basis(1)	IFRS Basis	Proportionate Basis(1)
Opening, January 1, 2026	$ 2,257,106	$ 2,963,774	$ 13,883	$ 18,904	$ 2,270,989	$ 2,982,678
Acquisition of investment properties	51,282	51,282	—	—	51,282	51,282
Additions to investment properties	7,113	9,276	4,486	4,738	11,599	14,014
Amortization of straight line rent	1,670	1,694	—	—	1,670	1,694
Dispositions	(2,527)	(2,527)	—	—	(2,527)	(2,527)
Fair value adjustment of investment properties(i)	12,626	7,145	(658)	(2,814)	11,968	4,331
Foreign currency translation	90,580	132,279	—	277	90,580	132,556
Ending, June 30, 2026	**$ 2,417,850**	**$ 3,162,923**	**$ 17,711**	**$ 21,105**	**$ 2,435,561**	**$ 3,184,028**

(i) Excludes fair value adjustments on properties classified as assets held for sale, which are included in the consolidated statements of income and comprehensive income.

Valuation of Investment Properties

Investment properties are measured at fair value at each reporting date, primarily using a discounted cash flow methodology that estimates the present value of projected property-level cash flows over the expected holding period, including a terminal value based on a capitalization rate. Where appropriate, direct capitalization methods are also used based on market capitalization rates applied to stabilized net operating income. Fair value is most sensitive to changes in assumptions in capitalization rates and is also impacted by assumptions related to discount rates, leasing assumptions, operating expenses and capital expenditures.

The weighted average discount rates and capitalization rates used in the valuation of the REIT's income-producing properties, presented on a proportionate basis[1], are summarized in the table below by geography.

	June 30, 2026			December 31, 2025		
	Discount rate	**Terminal capitalization rate**	**Overall capitalization rate**	Discount rate	Terminal capitalization rate	Overall capitalization rate
North America	**7.63%**	**6.93%**	**6.68%**	7.66%	6.95%	6.72%
Brazil	**9.35%**	**8.30%**	**8.93%**	9.43%	8.30%	8.88%
Europe	**6.21%**	**5.39%**	**6.43%**	6.15%	5.39%	6.50%
Australia	**6.92%**	**5.89%**	**5.67%**	6.73%	5.73%	5.54%
Total	**7.75%**	**6.87%**	**6.96%**	7.69%	6.81%	6.90%

Three Months	**Six Months**
For the three months ended June 30, 2026, the REIT recorded fair value gains of $5.5 million on an IFRS basis, and $7.9 million on a proportionate basis[1] related to investment properties, including properties classified as assets held for sale during the period. Fair value increases were primarily driven by higher net operating income in Brazil and Australia, reflecting rent indexation and contractual escalations, partially offset by fair value losses in North America and Europe, primarily reflecting changes in discount and capitalization rate assumptions.	For the six months ended June 30, 2026, the REIT recorded fair value losses of $16.6 million on an IFRS basis, and $26.8 million on a proportionate basis[1] related to investment properties, including properties classified as assets held for sale during the period. Fair value changes were primarily driven by transaction price adjustments on European assets prior to their sale, partially offset by gains realized in the second quarter. Additional adjustments reflect changes in property-level assumptions used in the valuation process, including leasing assumptions, contractual rent adjustments, and movements in discount and capitalization rates across the portfolio.

Development and Valuation Process

Development properties are generally valued based on land value plus development and construction costs, unless future cash flows can be reliably estimated, in which case a discounted cash flow approach is applied.

Valuations are prepared internally and reviewed quarterly as part of a formal governance process. Independent third-party appraisers are engaged on a rotating basis, with each income-producing property externally appraised at least once within a multi-year cycle. Management reviews the methodologies and key assumptions used in external appraisals and incorporates relevant market evidence into its internal valuations.

During the six months ended June 30, 2026, independent third-party appraisers valued investment properties with an aggregate fair value on a proportionate basis[1] of approximately $164.8 million, or approximately 5% of the portfolio, consistent with the REIT's multi-year appraisal cycle (June 30, 2025 - $1.0 billion, or 23%).

2026 Transaction Activity

Acquisitions
During the six months ended June 30, 2026, the REIT acquired the following income-producing property:

($ thousands) Property	Date of Acquisition	Location	Ownership Interest Acquired	Purchase Price[1]
Ottawa Hospital Transitional Care Centre	March 24	Ottawa, Canada	100%	$51,282
Total acquisitions				**$51,282**

(1) Purchase price includes $2.3 million of directly attributable costs, comprised of land transfer taxes, site improvements, and legal and advisory costs, which were capitalized as part of the acquisition.

Dispositions[1]
During the six months ended June 30, 2026, the REIT disposed of the following investment properties and assets held for sale:

($ thousands) Property	Date of disposition	Location	Effective interest disposed	Sale price excl. selling costs
Investment properties				
St. Mary's Medical Plaza	May 5	Tucson, USA	100%	$ 2,527
Assets held for sale				
Portfolio of 2 wholly-owned properties	Apr 29	Netherlands	100%	20,297
Portfolio of 10 properties within the European joint venture	Apr 29	Netherlands	30%	76,230
Portfolio of 21 wholly-owned properties	Jun 30	Germany	100%	337,268
Total dispositions of assets held for sale				433,795
Total dispositions				436,322
Less: net loss on disposal of assets, excluding foreign currency translation gains recycled to net income (loss)				(24,554)
Net proceeds from disposal of investment properties and assets held for sale				**$ 411,768**

(1) Shown on a proportionate basis.

7. LIQUIDITY AND CAPITAL RESOURCES

7.1. Liquidity and Capital Structure

The REIT actively manages its liquidity and capital structure to maintain financial flexibility and support portfolio investment and operating activities. Funding requirements are expected to be met through a combination of cash on hand, operating cash flows and available undrawn capacity under its credit facility and term debt, supplemented by secured or unsecured financing as appropriate. This liquidity supports the REIT's ability to fund near-term obligations, including distributions, as part of its broader capital management strategy.

($ thousands)		**As at June 30, 2026**		As at December 31, 2025		$ Change
Cash and cash equivalents - proportionate basis[1]	**$**	**75,434**	$	107,460	$	(32,026)
Unused portion of credit facility and term debt		**367,846**		358,077		9,769
Liquidity	**$**	**443,280**	$	465,537	$	(22,257)

As at June 30, 2026, total available liquidity was $443.3 million, comprised of cash and cash equivalents and undrawn capacity under its committed credit facility and term debt. Management believes this liquidity position provides sufficient capacity to fund near-term obligations and support ongoing strategic priorities.

The REIT's access to cash is subject to certain restrictions, including: (i) cash held by joint ventures, which may only be accessed through distributions; (ii) withholding taxes that may apply when transferring funds between jurisdictions; (iii) cash management and collateral requirements under certain credit facilities; and (iv) requirements related to maintaining REIT status compliance.

7.2. Major Cash Flow Components

The following table summarizes the REIT's net change in cash and cash equivalents for the three and six months ended June 30, 2026:

For the periods ended June 30 ($ thousands)	**Three Months**			**Six Months**		
	2026	2025	$ Change	**2026**	2025	$ Change
Cash and cash equivalents, beginning of period (IFRS basis)	**$ 57,151**	$ 70,597	$ (13,446)	**$ 94,081**	$ 51,247	$ 42,834
Cash provided by operating activities	**40,589**	51,666	(11,077)	**45,064**	78,257	(33,193)
Cash provided by (used in) investing activities	**361,998**	189,485	172,513	**307,920**	193,992	113,928
Cash provided by (used in) financing activities	**(399,318)**	(235,622)	(163,696)	**(387,132)**	(254,513)	(132,619)
Effect of foreign currency translation	**2,972**	1,427	1,545	**3,459**	8,570	(5,111)
Cash and cash equivalents, end of period (IFRS basis)	**$ 63,392**	$ 77,553	$ (14,161)	**$ 63,392**	$ 77,553	$ (14,161)

Three and Six Months

During the three and six months ended June 30, 2026, cash decreased to $63.4 million. The decrease primarily reflects cash used in financing activities including repayment of European mortgages associated with disposed properties and distributions paid to unitholders.

The decrease in cash was partially offset by proceeds received from the disposition of investment properties, primarily attributable to the sale of the European portfolio properties and positive cash provided by operating activities as a result of stable portfolio performance. Foreign exchange movements modestly increased cash during the period.

7.3. Total Debt

The REIT's debt structure supports long-term portfolio stability and reliable access to capital. Borrowings are diversified by lender, instrument and geography, with maturities staggered to reduce refinancing concentration. The structure reflects the stable, long-term cash flows generated by the REIT's healthcare real estate portfolio.

The table below summarizes the REIT's total debt on an IFRS and proportionate basis[(1)]:

	As at June 30, 2026			As at December 31, 2025		
($ thousands)	**IFRS Basis**	Adjustments	**Proportionate Basis[(1)]**	IFRS Basis	Adjustments	Proportionate Basis[(1)]
Mortgages payable	**$ 189,247**	$ 54,485	**$ 243,732**	$ 598,929	$ 97,334	$ 696,263
Term debt	**247,096**	375,203	**622,299**	240,926	350,623	591,549
Credit facility	**77,842**	—	**77,842**	—	—	—
Senior unsecured debentures	**500,000**	—	**500,000**	500,000	—	500,000
Convertible debentures	**243,579**	—	**243,579**	249,309	—	249,309
Lease liabilities	**14,406**	—	**14,406**	10,300	—	10,300
Total debt	**1,272,170**	429,688	**1,701,858**	1,599,464	447,957	2,047,421
Unamortized deferred financing costs	**(5,955)**	(612)	**(6,567)**	(7,981)	(851)	(8,832)
Total Debt	**$1,266,215**	$ 429,076	**$ 1,695,291**	$1,591,483	$ 447,106	$ 2,038,589
Included in mortgages payable						
Liabilities related to assets held for sale	**$ —**	$ —	**$ —**	$ 221,065	$ 41,954	$ 263,019

As at June 30, 2026, total debt on a proportionate basis[(1)] was $1.7 billion, down from $2.0 billion at December 31, 2025. The reduction was driven primarily by the European portfolio sale, which lowered debt through the mortgages repaid or settled on disposition and through the application of net sale proceeds to repay the revolving credit facility. These reductions were partially offset by draws on the revolving credit facility to fund the March 2026 acquisition of an investment property in Ottawa, Ontario for $51.3 million.

During the period, the REIT also repaid certain maturing Canadian and European mortgages using its revolving credit facility, which was in turn reduced using net proceeds from the European sale. This approach allowed the REIT to manage near-term maturities efficiently while applying sale proceeds to lower overall leverage.

The maturity profile remains well-distributed, and the REIT was in compliance with all financial covenants at quarter end. On a proportionate basis[(1)], approximately $1.5 billion of the REIT's assets were unencumbered at June 30, 2026 (December 31, 2025 - $1.2 billion).

Mortgages and term debt

Changes in debt balances during the period reflect repayments, scheduled amortization, as well as the impact of foreign currency movements and inflation indexation on certain instruments. Borrowings and repayments were undertaken in line with the REIT's capital management framework.

	IFRS Basis			Proportionate Basis[1]		
($ thousands)	Mortgages payable	Term debt	Total	Mortgages payable	Term debt	Total
Opening balance, January 1, 2026	$ 598,929	$ 240,926	$ 839,855	$ 696,263	$ 591,549	$ 1,287,812
Principal amortization	(6,709)	(14,873)	(21,582)	(8,044)	(14,873)	(22,917)
Repayments	(394,046)	—	(394,046)	(394,046)	—	(394,046)
Advances	—	—	—	—	—	—
Debt settled upon sale of investment properties	(8,920)	—	(8,920)	(51,036)	—	(51,036)
Accretion of financial liabilities	—	3,139	3,139	—	3,139	3,139
Foreign exchange adjustment	(7)	17,904	17,897	595	42,484	43,079
	189,247	247,096	436,343	243,732	622,299	866,031
Unamortized deferred financing costs	(703)	(1,506)	(2,209)	(768)	(2,053)	(2,821)
Ending balance, June 30, 2026	**$ 188,544**	**$ 245,590**	**$ 434,134**	**$ 242,964**	**$ 620,246**	**$ 863,210**

Refer to Section 11.7, "Mortgages and Term Debt Continuity by Region (Proportionate Basis)" for additional details.

Credit facility

Changes in the credit facility balance during the period primarily reflect drawings and repayments under the REIT's revolving credit facility.

($ thousands)			As at June 30, 2026			As at December 31, 2025		
Facility Type	**Maturity**	**Weighted Average Interest Rate**	**Maximum**	**Available**	**Drawn**	Maximum	Available	Drawn
Secured	July 2027	3.98 %	**$ 343,596**	**$ 265,754**	**$ 77,842**	$ 252,187	$ 252,187	$ —
Unamortized deferred financing costs					**(1,498)**			—
Balance, end of period					**$ 76,344**			$ —

Debentures

Senior Unsecured Debentures

As at June 30, 2026, the REIT had the following senior unsecured debentures outstanding:

Series	Issuance date	Maturity date	Coupon rate	Interest payment dates	As at June 30, 2026	As at December 31, 2025
Series A	Feb 18, 2025	Feb 18, 2028	5.02 %	Feb 18 and Aug 18	$ 200,000	$ 200,000
Series B	Feb 18, 2025	Feb 18, 2030	5.51 %	Feb 18 and Aug 18	300,000	300,000
			5.32 %		**500,000**	500,000
Unamortized deferred financing costs					**(2,248)**	(2,678)
Balance, end of period					**$ 497,752**	$ 497,322

Convertible Debentures

The following table summarizes the REIT's convertible debentures:

Series	Conversion price per Unit ($)	Issuance date	Maturity date	Interest rate	Interest payment dates	As at June 30, 2026	As at December 31, 2025
VITL.DB.H	$16.00	Aug 25, 2022	Aug 31, 2027	6.25%	Feb 28 and Aug 31	$ 154,524	$ 158,324
VITL.DB.I	$10.55	Apr 27, 2023	Apr 30, 2028	7.75%	Apr 30 and Oct 31	89,055	90,985
						$ 243,579	$ 249,309

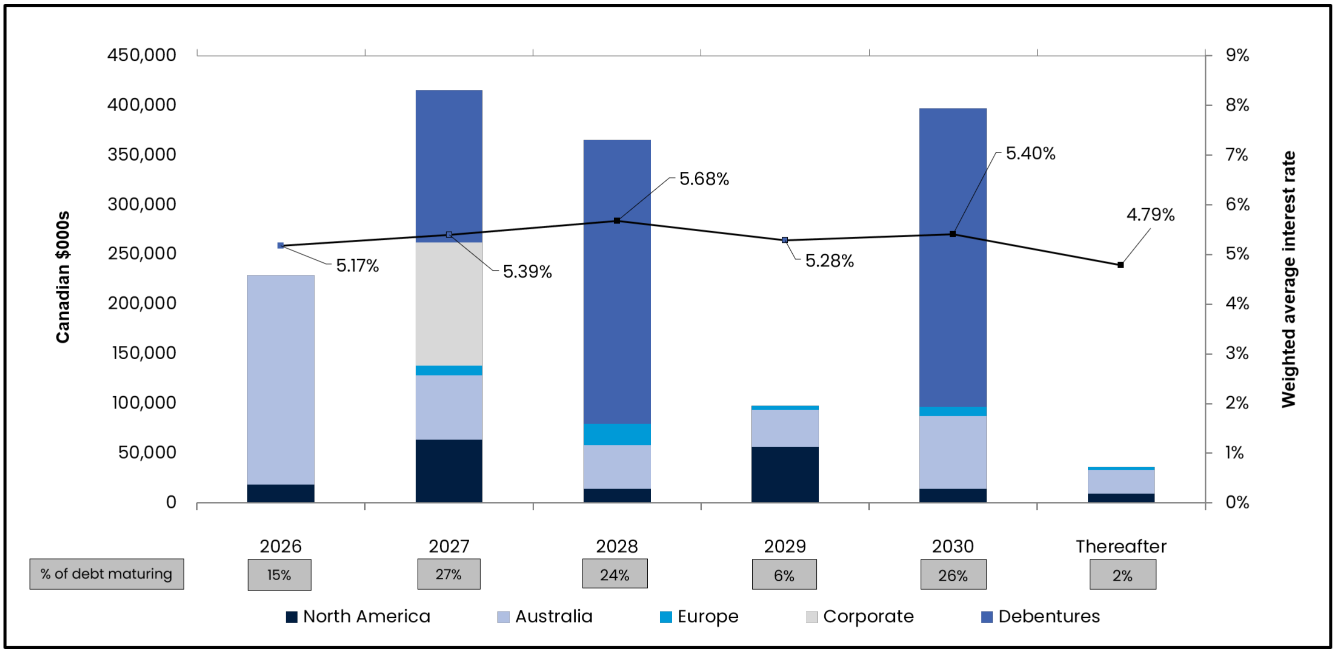
On November 11, 2025, the REIT announced that the TSX had approved a normal course issuer bid (“NCIB”) for a portion of its outstanding convertible debentures and Trust Units. The NCIB allows the REIT to repurchase up to $15.5 million principal amount of Series H debentures, $8.6 million principal amount of Series I debentures, and 22.2 million Trust Units.

During the three and six months ended June 30, 2026, the REIT repurchased total consideration of $1.5 million and $2.9 million, respectively, of its convertible debentures under the NCIB.

The REIT may continue to repurchase convertible debentures under the NCIB as market conditions warrant.

Schedule of Repayments

The chart below summarizes the REIT's debt maturities on a proportionate basis(1) at June 30, 2026, based on weighted average interest rates, and illustrates the REIT's staggered maturity profile.



As at June 30, 2026, $229.0 million of total debt on a proportionate basis(1) was scheduled to mature in 2026, reflecting contractual maturities at term and excluding scheduled principal amortization. The REIT expects to address these maturities through a combination of repayments and refinancing, as follows:

- **Canada**: $18.8 million of mortgage maturities are expected to be repaid on or before maturity or transitioned to the revolving credit facility, of which $6.9 million has been repaid subsequent to quarter end.
- **Australia (joint venture)**: Subsequent to June 30, 2026, $210.2 million of term debt at the REIT's share was refinanced, extending the original maturity of December 2026 to December 2028, and reducing its weighted average interest rate by 5 bps.

Interest rate risk management

The REIT manages interest rate risk through a combination of fixed-rate and variable-rate borrowings and the use of interest rate derivatives. As at June 30, 2026, the weighted average interest rate ("WAIR") on debt on a proportionate basis(1) was 5.31%, reflecting the REIT's contractual borrowing costs.

	North America		Brazil		Europe		Australia		Corporate		Total	
	Debt payable	WAIR	Debt payable	WAIR	Debt payable	WAIR	Debt payable	WAIR	Debt payable	WAIR	Debt payable	WAIR
Remainder of 2026	$ 21,278	3.93 %	$ 15,474	4.81 %	$ 1,213	2.43 %	$ 210,210	5.30 %	$ —	— %	**$ 248,175**	**5.14 %**
2027	68,116	5.83 %	31,101	4.76 %	12,350	3.36 %	64,386	5.43 %	276,782	5.34 %	**452,735**	**5.33 %**
2028	17,266	5.47 %	20,769	3.88 %	22,873	2.54 %	44,075	6.18 %	285,622	5.84 %	**390,605**	**5.56 %**
2029	58,256	5.09 %	21,559	3.88 %	4,730	2.11 %	37,541	5.88 %	—	— %	**122,086**	**5.00 %**
2030	14,820	4.57 %	22,381	3.88 %	9,594	1.50 %	73,455	5.60 %	300,000	5.52 %	**420,250**	**5.32 %**
Thereafter	9,511	3.35 %	11,521	3.88 %	3,725	2.05 %	23,942	5.68 %	—	— %	**48,699**	**4.52 %**
	$ 189,247	5.13 %	$ 122,805	4.22 %	$ 54,485	2.47 %	$453,609	5.52 %	$862,404	5.57 %	**$1,682,550**	**5.31 %**

The majority of the REIT's debt is fixed-rate or economically hedged through derivative instruments, which limits exposure to changes in interest rates in the near term. The REIT's economic weighted average interest rate ("Economic WAIR"), which reflects the impact of both fixed-rate borrowings and derivative instruments, was 5.25% on a proportionate basis(1) at June 30, 2026 (December 31, 2025 – 4.71%). Economic WAIR reflects the REIT's effective cost of debt and is used by management to assess borrowing costs relative to prevailing market rates.

7.4. Financial Ratios

The REIT monitors a number of financial ratios to assess leverage, liquidity, and its ability to service debt obligations. Certain ratios are calculated in accordance with the REIT's Declaration of Trust and lending agreements, while others are used by management for monitoring purposes. These ratios are also presented on both an IFRS and proportionate basis(1) to reflect the REIT's economic interest in joint ventures.

Differences among these ratios reflect variations in governing documents, covenant definitions, the treatment of convertible debentures and cash and cash equivalents, and differences in consolidation methodology. Detailed definitions and calculations are provided in Section 11.8, "Financial Ratio Calculations".

Leverage Ratios

Under the REIT's Declaration of Trust, the REIT may not incur or assume additional indebtedness if, after giving effect thereto, total indebtedness would exceed 65% of Gross Book Value ("GBV"), as defined therein. The REIT is also subject to leverage covenants under its revolving credit agreement and senior unsecured debenture indentures, which use definitions that differ from those in the Declaration of Trust.

In addition to these asset-based leverage measures, management monitors a cash flow–based leverage ratio, Debt to Adjusted EBITDA(1) which assesses the REIT's ability to service and repay indebtedness from recurring operating earnings. This ratio is used for monitoring purposes only and is not a covenant under the REIT's Declaration of Trust, revolving credit agreement, or senior unsecured debenture indentures.

The following table summarizes the REIT's leverage ratios as at June 30, 2026 and December 31, 2025:

Definition	As at June 30, 2026	As at December 31, 2025
Debt to Gross Book Value (IFRS)	**39.8 %**	46.4 %
Debt to Gross Book Value (proportionate basis)(1)	**46.8 %**	52.4 %
Debt to Adjusted EBITDA (proportionate basis)(1)	**7.1**	8.1
Debt to Adjusted EBITDA (proportionate basis), comparable(1)(i)	**7.7**	8.7

(i) Presented on a comparable basis to reflect the REIT's current portfolio composition, the June 30, 2026 figure excludes EBITDA from the disposed European properties while the December 31, 2025 figure replaces Vital Trust's EBITDA with distributions received, consistent with its deconsolidation on December 30, 2025.

The REIT's leverage ratios as at June 30, 2026 reflect the timing of the European sale proceeds received at quarter end. As these proceeds are redeployed to fund the REIT's North American acquisitions, leverage is expected to increase toward the REIT's target range.

As at June 30, 2026, the REIT was in compliance with all leverage limits and covenants under its Declaration of Trust, revolving credit agreement, and senior unsecured debenture indentures.

Coverage Ratios

The REIT monitors its ability to service interest and principal obligations through its interest coverage ratio, calculated on both an IFRS and proportionate basis(1). Covenant compliance is assessed using the basis specified in the applicable revolving credit agreement or senior unsecured debenture indenture.

The following table summarizes the REIT's coverage ratios for the trailing twelve months ended June 30, 2026 and June 30, 2025.

		Trailing twelve months ended	
Ratio	Basis	June 30, 2026	June 30, 2025
Interest coverage ratio	IFRS	**2.3**	1.9
Interest coverage ratio	Proportionate Basis(1)	**2.2**	1.8

As at June 30, 2026 and June 30, 2025, the REIT was in compliance with all coverage covenants under its revolving credit agreement and senior unsecured debenture indentures.

Minimum Adjusted Equity Covenant

The REIT is subject to a minimum adjusted equity covenant requiring minimum adjusted equity of $500.0 million under the terms of its senior unsecured debenture indenture and $1.0 billion under the terms of its revolving credit agreement. As at June 30, 2026, the REIT was in compliance with these covenants.

7.5. Net Asset Value[(1)]

($ thousands except where otherwise indicated)	June 30, 2026	December 31, 2025	$ Change
Unitholders' equity	**$ 1,541,709**	$ 1,506,846	$ 34,863
Add/(deduct) proportionate share of:			
Unit-based compensation liabilities	**17,603**	12,699	4,904
Deferred tax liability, net	**250,224**	240,233	9,991
Derivative financial instruments, net	**(948)**	(3,521)	2,573
Manager valuation adjustment [(i)]	**132,000**	132,000	—
Vital Trust mark-to-market adjustment [(ii)]	**(24,555)**	$ —	(24,555)
Net Asset Value ("NAV")	**$ 1,916,033**	$ 1,888,257	$ 27,776
Units outstanding ('000s) - period end	**250,019**	249,993	26
NAV per unit	**$ 7.66**	$ 7.55	$ 0.11

(i) Manager includes the European and Australian asset management operations.
(ii) Vital Trust mark-to-market adjustment represents the difference between carrying value of the REIT's investment in Vital Trust and the quoted market price of the REIT's Vital Trust units as at the balance sheet date.

Variance Commentary

NAV per unit was $7.66 at June 30, 2026, an increase from December 31, 2025, driven by AFFO contributions and favourable foreign exchange movements, partially offset by distributions paid to unitholders and mark-to-market losses on Vital Trust units.

7.6. Distributions and Unitholders' Equity

Distributions

For the three and six months ended June 30, 2026, the REIT declared total distributions of $22.5 million and $45.0 million, respectively (three and six months ended June 30, 2025 - $22.4 million and $44.7 million, respectively), representing an annualized distribution rate of $0.36 per unit per annum, consistent with the prior year.

Distributions are paid monthly and are intended to provide stable and predictable cash flows to unitholders, while maintaining flexibility to fund capital commitments and support the REIT's long-term financial position.

Distribution Reinvestment Plan

The REIT suspended its Distribution Reinvestment Plan ("DRIP") in September 2025, and all distributions are currently paid in cash. Trust Units issued under the DRIP in the prior-year comparative periods are reflected in the tables below.

Distribution Funding and Sustainability

Distributions are funded through operating cash flows, investment income and available liquidity. Management evaluates sustainability on a full-year basis, recognizing that the timing of receipts and payments can cause quarterly cash flows to differ from distributions. Where cash flows do not fully align with distributions in a given period, the REIT may draw on available liquidity under its credit facilities.

The following tables present net income, cash flows from operating activities attributable to unitholders and other cash flow measures relevant to distribution coverage for the three and six months ended June 30, 2026 and 2025.

Net Income (Loss) Compared to Distributions

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
Net income (loss) attributable to unitholders	**$ 279**	$ 25,960	$ (25,681)	**$ (3,566)**	$ 25,070	$ (28,636)
Less: distributions paid and payable	**(22,501)**	(22,408)	(93)	**(45,001)**	(44,746)	(255)
(Shortfall) surplus of net income (loss) attributable to unitholders over distributions paid and payable	**$ (22,222)**	$ 3,552	$ (25,774)	**$ (48,567)**	$ (19,676)	$ (28,891)

Management expects distributions to differ from net income (loss), as net income (loss) includes fair value adjustments and other non-cash items that do not affect the REIT's ability to fund distributions.

Cash Flows from Operating Activities Attributable to Unitholders Compared to Distributions

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
Cash flows from operating activities	**$ 40,589**	$ 51,666	$ (11,077)	**$ 45,064**	$ 78,257	$ (33,193)
Less: non-controlling interests	**—**	(13,896)	13,896	**—**	(23,753)	23,753
Cash flows from operating activities attributable to unitholders	**40,589**	37,770	2,819	**45,064**	54,504	(9,440)
Less: distributions paid and payable	**(22,501)**	(22,408)	(93)	**(45,001)**	(44,746)	(255)
Surplus of cash flows from operating activities attributable to unitholders over distributions paid and payable	**$ 18,088**	$ 15,362	$ 2,726	**$ 63**	$ 9,758	$ (9,695)

Cash Flows Available to Support Distributions Compared to Distributions

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
Surplus of cash flows from operating activities attributable to unitholders over distributions paid and payable	**$ 18,088**	$ 15,362	$ 2,726	**$ 63**	$ 9,758	$ (9,695)
Value of REIT Units issued pursuant to the DRIP	**—**	3,437	(3,437)	**—**	6,222	(6,222)
Distribution income from investments[(i)]	**8,602**	1,321	7,281	**14,461**	6,338	8,123
Adjusted surplus of cash flows from operating activities attributable to unitholders over distributions paid and payable	**$ 26,690**	$ 20,120	$ 6,570	**$ 14,524**	$ 22,318	$ (7,794)

(i) Distribution income from investments for the three and six months ended June 30, 2026 excludes distributions received related to the sale of the European joint venture properties.

The adjusted surplus of cash flows from operating activities attributable to unitholders for the three and six months ended June 30, 2026 primarily reflects working capital movements, including the timing of cash tax and interest payments on debentures, and does not reflect a change in the underlying operating performance of the portfolio. Based on current cash flow projections and available capacity under the REIT's credit facilities, management expects to meet its ongoing distribution and financing obligations.

Unitholders' Equity

Unitholders' equity represents a core component of the REIT's long-term capitalization. Changes in unitholders' equity during the period primarily reflect Trust Units issued under unit-based incentive plans. The REIT had 250,018,529 Trust Units outstanding at June 30, 2026.

The following table summarizes changes in the REIT's units outstanding for the six months ended June 30, 2026:

	# Units Outstanding
Trust Units outstanding, December 31, 2025	**249,992,670**
Issuance of Trust Units under the unit-based incentive plans	13,550
Trust Units outstanding, March 31, 2026	**250,006,220**
Issuance of Trust Units under the unit-based incentive plans	12,309
Trust Units outstanding, June 30, 2026	**250,018,529**

7.7. Credit Rating

The REIT and its senior unsecured debentures are rated by DBRS Morningstar ("DBRS"), an independent credit rating agency. Credit ratings provide an assessment of the REIT's ability to meet its financial obligations and reflect both interest and principal repayment risk. Rating categories range from the highest credit quality (generally "AAA") to default in payment (generally "D").

On February 5, 2025, DBRS assigned an initial issuer rating of BBB (low) with a Stable trend. On February 5, 2026, DBRS completed its annual review and confirmed the rating and trend.

The table below summarizes the REIT's credit ratings as at June 30, 2026:

	DBRS Morningstar	
	Credit Rating	**Trend**
Issuer rating	BBB (low)	Stable
Senior unsecured debentures rating	BBB (low)	Stable

8. QUARTERLY INFORMATION

The following is a summary of selected financial information for each of the last eight quarterly periods:

	Q2-26	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24
Number of Properties[i]	104	134	133	167	168	169	172	186
Gross Leasable Area (millions of sf)[i]	11.1	13.1	13.0	15.7	15.8	15.8	15.9	16.1
Occupancy %[i]	96.4%	96.4%	96.4%	96.9%	96.6%	96.5%	96.4%	96.1%
WALE (years)[i]	13.1	12.1	12.3	13.4	13.5	13.6	13.6	13.4
Operating Results								
Revenue from investment properties (IFRS)	$ 66,090	$ 74,067	$ 107,588	$ 104,286	$ 99,004	$ 111,647	$ 102,702	$ 107,015
Net income (loss)	279	(3,845)	(27,037)	31,167	32,621	(15,530)	2,928	(157,266)
NOI[1]	59,562	58,496	67,114	66,828	64,962	65,830	65,216	69,745
Adjusted EBITDA[1] (IFRS)	52,607	51,015	77,763	78,114	73,899	79,289	79,350	84,423
Adjusted EBITDA[1] (Proportionate)	57,784	55,881	63,809	63,507	60,949	66,044	66,419	72,527
FFO[1]	26,209	26,629	30,621	28,075	26,521	24,217	23,674	15,775
AFFO[1]	26,359	25,758	29,502	26,328	25,407	24,346	24,281	22,352
Distributions	22,501	22,500	22,499	22,480	22,408	22,338	22,346	22,229
Per Unit Amounts								
Net income (loss)	$ —	$ (0.02)	$ (0.11)	$ 0.12	$ 0.13	$ (0.06)	$ 0.01	$ (0.63)
Net income (loss) attributable to unitholders	$ —	$ (0.02)	$ (0.37)	$ 0.06	$ 0.05	$ 0.19	$ 0.03	$ (0.39)
FFO[1] per unit - Diluted	$ 0.10	$ 0.11	$ 0.12	$ 0.11	$ 0.11	$ 0.10	$ 0.10	$ 0.06
AFFO[1] per unit - Diluted	$ 0.11	$ 0.10	$ 0.12	$ 0.11	$ 0.10	$ 0.10	$ 0.10	$ 0.09
Distributions	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09
NAV[1] per unit	$ 7.66	$ 7.55	$ 7.55	$ 8.48	$ 8.67	$ 8.71	$ 8.55	$ 9.02
Market price per unit - closing	$ 5.51	$ 5.28	$ 5.11	$ 5.09	$ 4.98	$ 5.00	$ 4.42	$ 5.68
Weighted average number of units outstanding								
Basic	250,014,383	249,996,735	249,992,670	249,662,325	248,856,278	248,104,145	247,493,809	246,832,144
Diluted	250,852,728	250,803,844	251,081,454	250,712,935	249,941,309	249,111,151	248,641,782	247,870,148
Debt to Gross Book Value								
Debt to Gross Book Value[1] (IFRS)	39.8%	46.6%	46.4%	48.4%	48.5%	50.4%	50.0%	49.2%
Debt to Gross Book Value[1] (Proportionate)	46.8%	52.7%	52.4%	55.9%	56.0%	58.0%	58.5%	57.4%

Operational information is presented on a 100% basis for the REIT's joint venture investments across all eight quarters and for Vital Trust for all periods except Q4 2025 onwards, notwithstanding the REIT's approximately 30% ownership interest. Effective December 30, 2025, Vital Trust has been excluded from operational information to reflect the internalization transaction. See Section 1.1, "Basis for Presentation" and Section 3.3, "Portfolio Profile".

Quarterly results are influenced by asset sales, development activity, leasing timing, acquisitions and foreign exchange movements. Investment property balances reflect capital recycling, development activity and changes in fair value under IFRS Accounting Standards, while net income (loss) is primarily driven by non-cash fair value adjustments, foreign exchange movements and transaction-related or other non-recurring items.

9. RISKS AND UNCERTAINTIES

The principal risks affecting the REIT's business are described in the REIT's Annual Information Form ("AIF") for the year ended December 31, 2025 and in the MD&A included in the 2025 Annual Report, each of which is available on SEDAR+ at www.sedarplus.ca and incorporated herein by reference. Those risks and the related risk management strategies have not materially changed.

10. OTHER FINANCIAL DISCLOSURES

10.1. Related Party Transactions

In the normal course of business, the REIT enters into transactions with entities whose trustees or directors are also Trustees of the REIT or members of senior management. These transactions are conducted in the ordinary course of operations and recorded at the transaction or exchange amounts agreed to by the parties.

The REIT's related parties include associates, joint ventures and other entities over which the REIT has control or significant influence, as well as key management personnel. Key management personnel comprise the Trustees and those individuals with authority and responsibility for planning, directing and controlling the activities of the REIT.

Transactions with equity-accounted investments include interest income on loan balances outstanding with the European joint ventures and asset and development management fees earned from those joint ventures. These arrangements form part of the REIT's asset management activities and are measured at exchange amounts agreed between the parties.

10.2. Subsequent Events

Subsequent to June 30, 2026, the REIT:

- Refinanced A$715.0 million of Australian joint venture term debt ($210.2 million at the REIT's share), extending maturity from December 2026 to December 2028.
- Repaid a $6.9 million Canadian mortgage that matured in July 2026, using the REIT's revolving credit facility.
- Completed the acquisition of a 142,000 sq ft, seven-storey, purpose-built integrated community health centre in Brooklyn, New York for US$89.9 million ($126.7 million). The property is 100% leased with approximately 11 years of remaining term.
- Agreed to acquire a 51,000 sq ft multi-tenant medical outpatient facility in Burlington, Ontario for $26.2 million. Closing is expected in the third quarter of 2026.
- Received City of Toronto approval at Fairview Health Centre in Toronto for a transit-oriented, mixed-use redevelopment comprising approximately 980,000 sq ft of total gross floor area, including up to 1,302 residential units across three towers and approximately 100,000 sq ft of medical space.

10.3. Controls and Procedures

The REIT maintains disclosure controls and procedures designed to provide reasonable assurance that material information relating to the REIT, including its consolidated subsidiaries, is made known to management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), in a timely manner. These controls and procedures are designed to ensure that information required to be disclosed in the REIT's filings under applicable securities legislation is recorded, processed, summarized and reported within the required time periods.

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the REIT's disclosure controls and procedures as at June 30, 2026 and concluded that they were effective. There were no changes in the REIT's internal control over financial reporting during the three months ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, the REIT's internal control over financial reporting.

11. NON-GAAP AND OTHER SUPPLEMENTARY MEASURES

The condensed consolidated interim financial statements of Vital Infrastructure Property Trust are prepared in accordance with IFRS. This MD&A includes certain financial measures and ratios that do not have standardized meanings under IFRS and, as a result, may not be comparable to similar measures presented by other issuers. These measures include non-GAAP financial measures, non-GAAP ratios and other specified financial measures, as defined in National Instrument 52-112, "Non-GAAP and Other Financial Measures Disclosure".

Management uses these measures as supplemental indicators to evaluate the REIT's operating performance, financial condition and ability to generate cash flows. These measures are not substitutes for financial measures determined in accordance with IFRS. Each non-GAAP measure is defined below and, where applicable, is accompanied by a reconciliation to the most directly comparable IFRS measure presented elsewhere in this MD&A.

Non-GAAP Measure	Description and Purpose	Reconciliation
Proportionate Basis	• Proportionate basis is a non-IFRS presentation method used by the REIT to reflect its economic interest in equity-accounted joint ventures and subsidiaries by including the REIT's proportionate share of assets, liabilities, revenues and expenses, where applicable. • Following the internalization of Vital Trust and the resulting loss of control, the REIT's investment in Vital Trust is accounted for as an equity-accounted investment under IFRS. For purposes of this MD&A, this investment is not proportionately consolidated. Instead, it is presented as a single line item on the proportionate balance sheet at its IFRS carrying value, with distributions presented separately and the remaining equity-accounted income recognized as a non-cash adjustment in the proportionate income statement. • Management believes the proportionate basis presentation provides useful information by more closely reflecting the underlying economics of the REIT's investments. However, this presentation is not defined under IFRS and may not be comparable to similar measures presented by other issuers.	Section 4.2, "Results from Operations (Proportionate)" Section 5, "Balance Sheet"
Net Operating Income ("NOI")	• NOI represents revenue from investment properties, including straight-line rent and lease termination income, less property operating costs and is presented as net property operating income in the REIT's consolidated financial statements prepared in accordance with IFRS. • NOI reflects the operating performance of the REIT's income-producing properties before the impact of financing, income taxes and other non-property-level items. • NOI is also presented on a proportionate basis in the MD&A. Management believes NOI is an important measure of property-level operating performance used by real estate industry analysts, investors and management, and a key input in determining the fair value of the REIT's income-producing portfolio.	Section 11.1, "Net Operating Income"

Non-GAAP Measure	Description and Purpose	Reconciliation
Same-Property NOI (Constant Currency) ("SPNOI")	• SPNOI is a non-IFRS financial measure used to assess period-over-period operating performance of income-producing properties owned by the REIT for a full reporting period in both the current and comparative periods. • The measure excludes straight-line rental revenue, NOI attributable to properties that have been acquired, disposed of, or are subject to significant change as a result of development, redevelopment or expansion activities, as well as properties held for redevelopment. For the periods presented, SPNOI also excludes comparative-period NOI from Vital Trust to reflect its deconsolidation and current presentation. • SPNOI also excludes the impact of non-recurring items. • To enhance comparability, foreign currency impacts are excluded by converting comparative-period results using current-period average exchange rates. • SPNOI is derived from NOI and presented on a proportionate basis. • Management believes SPNOI is useful in understanding changes in NOI attributable to occupancy, contractual rental rate changes, operating costs and realty taxes, before considering the impact of acquisitions, dispositions and development activity.	Section 11.1, "Net Operating Income"
Funds from Operations ("FFO")	• FFO is a non-IFRS financial measure used by the REIT to assess operating performance and is derived from IFRS net income (loss), the most directly comparable financial measure. • FFO excludes items that are not considered indicative of the recurring operating performance of income-producing real estate, such as fair value adjustments, gains or losses on property dispositions, unrealized foreign exchange, deferred income taxes and transaction-related items. • The measure also reflects the economic benefit of certain management fees eliminated on consolidation but realized through non-controlling interests, and excludes certain investment, financing and general and administrative costs. • REALPAC has published guidance for the calculation of FFO, and the REIT generally calculates FFO in accordance with this guidance, subject to certain adjustments disclosed in the reconciliation. • Management uses FFO to evaluate operating performance and believes it meaningfully reflects period-over-period changes in occupancy, rental rates, operating costs, realty taxes, transaction activity and interest costs.	Section 11.2, "Funds from Operations ("FFO")"
Adjusted Funds from Operations ("AFFO")	• AFFO is a non-IFRS financial measure used by the REIT to assess operating performance and recurring cash flows and is derived from FFO, the most directly comparable financial measure. • AFFO adjusts FFO for items that are non-cash in nature or that do not reflect recurring cash outflows associated with the ownership and operation of income-producing real estate, including financing-related accelerated amortization, straight-line rent differences, leasing costs, sustaining capital expenditures and unit-based compensation. • The measure includes the REIT's proportionate share of adjustments related to equity-accounted investments and joint ventures. • REALPAC has published guidance for the calculation of AFFO, and the REIT generally calculates AFFO in accordance with this guidance, subject to certain adjustments disclosed in the reconciliation. • Management uses AFFO to evaluate operating performance and distribution sustainability and believes it reflects recurring operating cash flows, taking into account the timing of sustaining capital expenditures and leasing activity.	Section 11.3, "Adjusted Funds from Operations ("AFFO")"

Non-GAAP Measure	Description and Purpose	Reconciliation
FFO and AFFO Payout Ratios	• FFO and AFFO payout ratios are non-IFRS financial ratios used by management to assess the sustainability of the REIT’s distribution payments. • The ratios are calculated as cash distributions declared divided by FFO or AFFO, as applicable, for the period. • Management uses these ratios, together with other financial metrics, in evaluating distribution levels and long-term capital allocation decisions.	Section 4.4, "Funds from Operations and Adjusted Funds from Operations"
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)	• Adjusted EBITDA is a non-GAAP financial measure derived from IFRS net income (loss). • The measure excludes interest expense, income taxes, depreciation and amortization, fair value adjustments, unit-based compensation, unrealized foreign exchange gains and losses, gains and losses on dispositions, transaction costs and other non-operating or non-recurring items, as detailed in the applicable reconciliations. • Management and lenders use Adjusted EBITDA to assess recurring operating earnings, debt service capacity and compliance with financing arrangements.	Section 11.8, "Financial Ratio Calculations"
Debt	• Debt is a supplementary financial measure representing the REIT’s indebtedness, as defined and calculated for the purposes of the financial ratios and covenants disclosed in this MD&A. • It generally includes mortgages, loans and credit facilities, lease liabilities and debentures reported in the consolidated financial statements and may include the REIT’s proportionate share of debt held in joint ventures, as applicable. • Debt may be presented on an IFRS or proportionate basis and, depending on the applicable definition, may exclude certain components; where noted, Debt is presented net of unamortized financing costs. • Management and lenders use Debt to assess leverage, financing capacity and compliance with debt-related covenants, including in relation to Gross Book Value, Adjusted EBITDA and other measures, as applicable.	Section 7.3, "Total Debt" and Section 11.8, "Financial Ratio Calculations"
Debt to Adjusted EBITDA	• Debt to Adjusted EBITDA is a supplementary financial ratio calculated as Debt divided by Adjusted EBITDA. • For purposes of this ratio, Adjusted EBITDA is calculated on a trailing twelve-month basis. • Management uses this ratio to assess the REIT’s financial leverage and its ability to service and repay indebtedness using recurring operating earnings.	Section 11.8, "Financial Ratio Calculations"
Gross Book Value ("GBV")	• Gross Book Value is defined as total assets reported in the consolidated financial statements. • This measure may be presented on an IFRS or a proportionate basis, as applicable. • Gross Book Value is used, as applicable, in leverage ratios and covenant calculations in accordance with the definitions contained in the REIT’s Declaration of Trust, revolving credit agreement, and senior unsecured debenture indentures, including Debt to Gross Book Value.	Section 11.8, "Financial Ratio Calculations"
Debt to Gross Book Value	• Debt to Gross Book Value is a supplementary financial ratio calculated as Debt divided by Gross Book Value, as defined and calculated for the purposes of the applicable financial ratios and covenants disclosed in this MD&A, and is presented on an IFRS and proportionate basis, as applicable. • Management and lenders use this ratio to assess the REIT’s leverage and compliance with leverage-related covenants.	Section 11.8, "Financial Ratio Calculations"

Non-GAAP Measure	Description and Purpose	Reconciliation
Interest Expense for the Interest Coverage Ratio	• Interest Expense represents interest expense recognized under IFRS, adjusted to include capitalized interest and, where applicable, pro forma adjustments. • The measure is calculated in accordance with the applicable definitions set out in the REIT's senior unsecured debenture indentures.	Section 11.8, "Financial Ratio Calculations"
Interest Coverage	• Interest Coverage is a supplementary financial ratio calculated by dividing Adjusted EBITDA by Interest Expense for the Interest Coverage Ratio, with both amounts calculated in accordance with the applicable senior unsecured debenture indentures. • For purposes of this ratio, Adjusted EBITDA is adjusted on a pro forma basis to reflect the full-year impact of acquisitions and dispositions completed during the reporting period. • Management and lenders use this ratio to assess the REIT's ability to service interest obligations and comply with interest-related covenants.	Section 11.8, "Financial Ratio Calculations"
Minimum Adjusted Equity	• Minimum Adjusted Equity is a supplementary financial measure derived from Unitholders' equity and calculated in accordance with the definitions contained in the REIT's senior unsecured debenture indentures. • The measure adjusts Unitholders' equity for certain items, including deferred tax assets and deferred tax liabilities, as applicable.	Section 7.4, "Financial Ratios"
Net Asset Value ("NAV")	• NAV is a non-IFRS financial measure calculated as total assets less total liabilities and non-controlling interests, adjusted to reflect management's estimates of fair value, including the fair value of the Manager and Vital Trust units. • Management uses NAV as a measure of the REIT's intrinsic value, and NAV per Unit as a valuation metric to assess whether the REIT's units are trading at a discount or premium to intrinsic value.	Section 7.5, "Net Asset Value"
Cash Flows from Operating Activities Attributable to Unitholders	• Cash Flows from Operating Activities Attributable to Unitholders is a non-IFRS financial measure derived from cash flows from operating activities determined in accordance with IFRS. • The measure reflects operating cash flows attributable to Unitholders after adjustments for non-controlling interests and other items. • Management uses this measure to assess the REIT's ability to fund distributions to Unitholders from operating cash flows.	Section 7.6, "Distributions and Unitholders' Equity"
Liquidity	• Liquidity is a non-GAAP financial measure calculated as the sum of cash and cash equivalents and the undrawn portion of the REIT's revolving credit facility. • Management uses Liquidity to assess the REIT's short-term financial flexibility and ability to fund operating requirements, capital expenditures and other commitments.	Section 7.1, "Liquidity and Capital Structure"
Per Unit Measures	• FFO per Unit, AFFO per Unit, NAV per Unit and Distributions declared per Unit are calculated by dividing the applicable measure by the number of units outstanding, calculated on a basic or diluted basis, as applicable. • Per unit amounts are calculated using the weighted average number of units outstanding during the period or units outstanding at period end, as applicable. • Where relevant, diluted unit counts include the impact of vested trust units, exchangeable or convertible units and other dilutive instruments, in accordance with the applicable calculation methodology.	Section 4.4, "Funds from Operations and Adjusted Funds from Operations" and Section 7.5, "Net Asset Value"

11.1. Net Operating Income[1]

The table below reconciles net income (loss), as determined in accordance with IFRS, to Net Operating Income for the periods presented. Refer to Section 4.3, "Net Operating Income (Proportionate)" and Section 11, "Non-GAAP and Other Supplementary Measures" for further details.

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
Net income (loss)	**$ 279**	$ 32,621	$ (32,342)	**$ (3,566)**	$ 17,091	$ (20,657)
Interest and other income	**(1,541)**	(2,548)	1,007	**(3,505)**	(8,729)	5,224
Management fees	**(3,701)**	(3,590)	(111)	**(7,599)**	(7,363)	(236)
Share of income (loss) from equity accounted investments	**(2,937)**	(4,648)	1,711	**(4,368)**	4,094	(8,462)
Finance costs	**21,715**	33,571	(11,856)	**41,994**	72,010	(30,016)
General and administrative expenses	**14,214**	14,891	(677)	**29,624**	29,739	(115)
Transaction costs	**3,342**	2,390	952	**5,360**	11,822	(6,462)
Foreign exchange gain (loss)	**740**	(5,474)	6,214	**612**	(7,293)	7,905
Accretion of financial liabilities	**386**	397	(11)	**3,139**	3,816	(677)
Fair value adjustment of convertible debentures	**1,973**	206	1,767	**(2,856)**	10,691	(13,547)
Fair value adjustment of financial instruments	**1,778**	8,377	(6,599)	**572**	(20,422)	20,994
Fair value adjustment of investment properties	**(5,482)**	(13,619)	8,137	**16,610**	32,728	(16,118)
Net loss on disposals of assets	**10,772**	3,379	7,393	**10,901**	4,778	6,123
Fair value adjustment of unit-based compensation liabilities	**(548)**	(588)	40	**433**	882	(449)
Income tax expense	**7,818**	10,943	(3,125)	**8,941**	9,612	(671)
Net Operating Income (IFRS)	**48,808**	76,308	(27,500)	**96,292**	153,456	(57,164)
Adjustment for equity accounted investments	**10,754**	(11,346)	22,100	**21,766**	(22,664)	44,430
Net Operating Income (proportionate)	**$ 59,562**	$ 64,962	$ (5,400)	**$ 118,058**	$ 130,792	$ (12,734)

The table below reconciles Net Operating Income to Same-Property Net Operating Income for the periods presented. Refer to Section 4.3, "Net Operating Income (Proportionate)" and Section 11, "Non-GAAP and Other Supplementary Measures" for further details.

For the periods ended June 30 ($ thousands)	Three Months 2026	Three Months 2025	Three Months $ Change	Six Months 2026	Six Months 2025	Six Months $ Change
Net Operating Income (proportionate)	**$ 59,562**	$ 64,962	$ (5,400)	**$ 118,058**	$ 130,792	$ (12,734)
Straight-line rental revenue	**(763)**	(1,313)	550	**(1,493)**	(3,063)	1,570
Lease termination fees	**—**	—	—	**(51)**	(14)	(37)
Foreign currency translation	**—**	3,976	(3,976)	**—**	6,308	(6,308)
Vital Trust NOI	**—**	(9,649)	9,649	**—**	(18,670)	18,670
Acquisitions / Dispositions	**(7,492)**	(8,077)	585	**(15,107)**	(16,684)	1,577
Other	**(269)**	1	(270)	**(529)**	(117)	(412)
Same-Property Net Operating Income	**$ 51,038**	$ 49,900	$ 1,138	**$ 100,878**	$ 98,552	$ 2,326

11.2. Funds from Operations ("FFO")[(1)]

In accordance with the January 2022 guidance published by REALPAC, FFO is calculated by adjusting IFRS net income to exclude items that are not considered indicative of the recurring operating performance of income-producing real estate. These adjustments include, among others, fair value changes, deferred income taxes, gains or losses on dispositions, and transaction costs. Management believes these adjustments provide a consistent and comparable baseline measure of operating performance prior to the consideration of additional management adjustments.

For the periods ended June 30 ($ thousands)	Note	Three Months **2026**	Three Months 2025	Three Months $ Change	Six Months **2026**	Six Months 2025	Six Months $ Change
Net income (loss) attributable to unitholders		**$ 279**	$ 25,960	$ (25,681)	**$ (3,566)**	$ 25,070	$ (28,636)
Fair value adjustment of convertible debentures		**1,973**	206	1,767	**(2,856)**	10,691	(13,547)
Fair value adjustment of financial instruments		**1,778**	8,377	(6,599)	**572**	(20,422)	20,994
Fair value adjustment of investment properties		**(5,482)**	(13,619)	8,137	**16,610**	32,728	(16,118)
Fair value adjustment of unit-based compensation liabilities		**(548)**	(588)	40	**433**	882	(449)
Less: Non-controlling interests' share of fair market value losses (gains)		**—**	5	(5)	**—**	(27,381)	27,381
Accretion of financial liabilities	A	**386**	397	(11)	**3,139**	3,816	(677)
Unrealized foreign exchange loss (gain)		**714**	(5,560)	6,274	**560**	(7,415)	7,975
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)		**—**	1,359	(1,359)	**—**	1,529	(1,529)
Deferred tax expense (recovery)		**(7,276)**	7,414	(14,690)	**(8,535)**	2,474	(11,009)
Less: Non-controlling interests' share of deferred taxes		**—**	(3,981)	3,981	**—**	(1,801)	1,801
Transaction costs	B	**3,342**	2,390	952	**5,360**	11,822	(6,462)
Less: Non-controlling interests' share of transaction costs		**—**	(6)	6	**—**	(6)	6
Net loss on disposal of assets		**10,772**	3,380	7,392	**10,901**	4,778	6,123
Less: Non-controlling interests' share of net loss on disposal		**—**	(181)	181	**—**	(211)	211
Tax on profits or losses on disposals of properties		**13,632**	—	13,632	**14,568**	—	14,568
Net adjustments for equity accounted entities		**2,721**	(1,013)	3,734	**13,751**	11,271	2,480
Non-cash equity income from Vital Trust	D	**2,234**	—	2,234	**(2,452)**	—	(2,452)
Internal leasing costs		**657**	439	218	**1,206**	839	367
Property taxes accounted for under IFRIC 21		**(52)**	8	(60)	**19**	28	(9)
Net adjustment for lease liabilities		**89**	102	(13)	**(40)**	21	(61)
Employee termination benefits and related expenses	C	**782**	1,234	(452)	**2,757**	1,616	1,141
G&A expenses related to strategic tenant inducements	E	**208**	198	10	**410**	411	(1)
Funds from Operations		**$ 26,209**	$ 26,521	$ (312)	**$ 52,837**	$ 50,740	$ 2,097
FFO per Unit - Basic		**$ 0.10**	$ 0.11	$ (0.01)	**$ 0.21**	$ 0.20	$ 0.01
FFO per Unit - Diluted		**$ 0.10**	$ 0.11	$ (0.01)	**$ 0.21**	$ 0.20	$ 0.01
Weighted average number of units outstanding							
Basic		**250,014,383**	248,856,278	1,158,105	**250,005,559**	248,482,289	1,523,270
Diluted		**250,852,728**	249,941,309	911,419	**250,901,539**	249,528,523	1,373,016

Management Adjustments Not Contemplated by REALPAC

The following adjustments are not contemplated by REALPAC guidance and reflect management's judgment regarding items that do not represent the recurring operating performance of the REIT's income-producing real estate portfolio.

A. Accretion of financial liabilities
Certain securitized financing arrangements in Brazil are subject to inflation indexation based on the Brazilian consumer price index ("IPCA") over the term of the related debt instruments. As a result, the carrying value of these liabilities increases through accretion from the date of inception to their respective maturities. This accretion is recognized under IFRS as a fair value–related adjustment to the associated liabilities. The resulting expense is financing-related in nature and does not impact the REIT's property-level operating performance or cash flows. Accordingly, these amounts are excluded in determining FFO.

B. Transaction costs
Under IFRS, certain transaction and business development costs are expensed as incurred, depending on the accounting treatment applied to the underlying transaction. To provide consistent treatment of transaction-related costs and enhance the comparability of FFO, the REIT excludes transaction costs that are non-recurring in nature and do not reflect ongoing operating performance. These costs may include acquisition and disposition-related expenses, costs associated with evaluating investment opportunities and strategic initiatives, and other transaction-related expenditures.

C. Employee termination benefits and related expenses
Employee termination benefits and related costs arise from workforce restructuring initiatives undertaken as part of broader operational efficiency programs. These costs are recognized under IFRS in the period incurred, are non-recurring in nature, and do not reflect the REIT's ongoing operating performance. Accordingly, these amounts are excluded in determining FFO.

D. Non-cash equity income from Vital Trust
Following the internalization of Vital Trust on December 30, 2025, the REIT accounts for its investment as an equity-accounted investment under IFRS and recognizes its share of earnings. Effective January 1, 2026, for the purpose of determining FFO, the REIT includes only distributions received from Vital Trust, which represent the REIT's share of Vital Trust's FFO that is distributed in cash. The non-distributed portion of Vital Trust's FFO is excluded, as it does not represent cash received by the REIT.

E. G&A expenses related to strategic tenant inducements
Certain general and administrative expenses incurred during the period relate to strategic tenant inducements. These costs are recognized under IFRS as incurred and are incremental to the REIT's normal course operations. As such, they do not reflect the REIT's ongoing property-level operating performance and are excluded in determining FFO.

The adjustments described above are reviewed by management and the Audit Committee and are applied consistently from period to period.

FFO excluding accelerated amortization of deferred financing costs[1]

Management also presents FFO excluding accelerated amortization of deferred financing costs[1], which it believes provides a more comparable measure of operating performance across periods. Accelerated amortization is recognized on the early repayment of debt and can vary significantly between periods.

For the three and six months ended June 30, 2026, FFO[1] included $0.5 million of accelerated amortization recognized on the early repayment of certain European mortgages using proceeds from the European portfolio sale. For the three and six months ended June 30, 2025, FFO[1] included $1.4 million and $3.4 million, respectively, recognized on the early repayment of debt using proceeds from the sale of Assura units and the issuance of senior unsecured debentures.

The following table reconciles FFO[1] to FFO excluding accelerated amortization of deferred financing costs[1]:

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
FFO[1]	**$ 26,209**	$ 26,521	$ (312)	**$ 52,837**	$ 50,740	$ 2,097
Accelerated amortization of deferred financing costs	**538**	1,447	(909)	**538**	3,350	(2,812)
FFO, excluding accelerated amortization of deferred financing costs[1]	**$ 26,747**	$ 27,968	$ (1,221)	**$ 53,375**	$ 54,090	$ (715)
FFO per unit - diluted, excluding accelerated amortization of deferred financing costs[1]	**$ 0.11**	$ 0.11	$ —	**$ 0.21**	$ 0.22	$ (0.01)
Weighted average number of units outstanding						
Diluted	**250,852,728**	249,941,309	911,419	**250,901,539**	249,528,523	1,373,016

11.3. Adjusted Funds from Operations ("AFFO")[(1)]

AFFO[(1)] is a supplemental non-IFRS financial measure calculated by adjusting FFO[(1)] to exclude items that do not reflect recurring cash outflows associated with the ownership and operation of income-producing real estate. In accordance with the January 2022 guidance published by REALPAC, AFFO[(1)] is intended to approximate recurring cash flows. Management believes these adjustments provide a useful measure of operating cash flow and distribution sustainability. Accordingly, the REIT's method of calculating AFFO[(1)] may differ from that of other issuers and may not be comparable to similar measures presented by other issuers. Beginning January 1, 2026, as AFFO[(1)] is derived from FFO[(1)], the REIT's investment in Vital Trust is reflected in AFFO[(1)] through distributions received, with no further Vital Trust-specific AFFO[(1)] adjustment in the current period.

AFFO[(1)] includes an adjustment for leasing costs and maintenance capital expenditures, which is calculated using actual expenditures for certain portfolios and a reserve-based estimate for others. Actual leasing and maintenance capital expenditures may differ from the adjustment reflected in AFFO[(1)] in a given period due to the timing of leasing activity and capital projects.

AFFO[(1)] is generated across the REIT's international operations in multiple currencies and is presented in Canadian dollars. As a result, foreign exchange movements may affect the Canadian-dollar presentation of AFFO[(1)] in a given period. Management does not consider foreign currency movements to be indicative of the underlying operating performance or recurring cash outflows associated with the REIT's income-producing real estate portfolio.

For the periods ended June 30 ($ thousands)	Note	Three Months 2026	 2025	 $ Change	Six Months 2026	 2025	 $ Change
Funds from Operations[(1)]		**$ 26,209**	$ 26,521	$ (312)	**$ 52,837**	$ 50,740	$ 2,097
Accelerated amortization of deferred financing costs	A	**538**	1,447	(909)	**538**	3,350	(2,812)
Unit-based compensation expense	B	**3,641**	1,018	2,623	**6,657**	3,591	3,066
Straight-line rental revenue		**(809)**	315	(1,124)	**(1,516)**	(205)	(1,311)
Less: non-controlling interests' share of straight-line revenue		**—**	(513)	513	**—**	(1,028)	1,028
Leasing costs and non-recoverable maintenance capital expenditures		**(3,089)**	(3,030)	(59)	**(6,087)**	(6,399)	312
Less: non-controlling interests' share of actual capex and leasing costs		**—**	240	(240)	**—**	510	(510)
Net adjustments for equity accounted entities		**(131)**	(591)	460	**(313)**	(804)	491
Adjusted Funds from Operations[(1)]		**$ 26,359**	$ 25,407	$ 952	**$ 52,116**	$ 49,755	$ 2,361
AFFO[(1)] per Unit - Basic		**$ 0.11**	$ 0.10	$ 0.01	**$ 0.21**	$ 0.20	$ 0.01
AFFO[(1)] per Unit - Diluted		**$ 0.11**	$ 0.10	$ 0.01	**$ 0.21**	$ 0.20	$ 0.01
Distributions per Unit		**$ 0.09**	$ 0.09	$ —	**$ 0.18**	$ 0.18	$ —
Weighted average number of units outstanding							
Basic		**250,014,383**	248,856,278	1,158,105	**250,005,559**	248,482,289	1,523,270
Diluted		**250,852,728**	249,941,309	911,419	**250,901,539**	249,528,523	1,373,016

Management Adjustments Not Contemplated by REALPAC
The following adjustments are not contemplated by REALPAC guidance and reflect management's judgment regarding items that do not represent the recurring operating performance of the REIT's income-producing real estate portfolio.

A. Accelerated amortization of deferred financing costs
Under IFRS, deferred financing costs are amortized over the term of the related debt and recognized as a non-cash expense, which the REIT considers a proxy for financing fees incurred over the term of the debt. Accordingly, AFFO is not adjusted for this amortization, except for the accelerated amortization recognized on the write-off of financing fees when debt is repaid prior to maturity. These accelerated amounts are added back to AFFO as they do not represent a current-period cash outflow and are not indicative of the REIT's recurring financing costs.

B. Unit-based compensation expense
Unit-based compensation expense is recognized under IFRS over the applicable vesting period as a non-cash expense. This expense does not represent a current-period cash outflow and may be settled, at the REIT's

option, through the issuance of a fixed number of units. Accordingly, unit-based compensation expense is excluded in determining AFFO.

AFFO as calculated on a proportionate basis[1]:

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2026	2025	$ Change	**2026**	2025	$ Change
Net operating income	**$ 59,562**	$ 56,257	$ 3,305	**$ 118,058**	$ 113,414	$ 4,644
Interest and other income	**1,234**	1,338	(104)	**2,379**	6,430	(4,051)
Management fees	**2,726**	6,277	(3,551)	**5,540**	12,459	(6,919)
Finance costs	**(26,932)**	(29,231)	2,299	**(52,198)**	(63,646)	11,448
General and administrative expenses	**(14,467)**	(14,270)	(197)	**(30,080)**	(28,806)	(1,274)
Add: Employee termination benefits and related expenses	**782**	1,234	(452)	**2,757**	1,616	1,141
Add: G&A expenses related to strategic tenant inducements	**208**	198	10	**410**	411	(1)
Realized foreign exchange gain (loss)	**(26)**	(83)	57	**(52)**	(112)	60
Current tax expenses	**(15,054)**	(992)	(14,062)	**(17,314)**	(2,602)	(14,712)
Add: Tax on profits or losses on disposals of properties	**13,632**	—	13,632	**14,568**	—	14,568
Internal leasing costs	**657**	439	218	**1,206**	839	367
Property taxes accounted for under IFRIC 21	**(52)**	8	(60)	**19**	28	(9)
Net adjustment for lease liabilities	**89**	142	(53)	**(40)**	99	(139)
Distributions from Vital Trust	**3,850**	—	3,850	**7,584**	—	7,584
FFO contribution from Vital Trust	**—**	5,204	(5,204)	**—**	10,610	(10,610)
Funds from Operations	**$ 26,209**	$ 26,521	$ (312)	**$ 52,837**	$ 50,740	$ 2,097
Accelerated amortization of deferred financing costs	**538**	1,447	(909)	**538**	3,350	(2,812)
Unit-based compensation expense	**3,641**	1,018	2,623	**6,657**	3,591	3,066
Straight-line rental revenue	**(836)**	(745)	(91)	**(1,548)**	(2,254)	706
Leasing costs and non-recoverable maintenance capital expenditures	**(3,193)**	(2,941)	(252)	**(6,368)**	(5,876)	(492)
AFFO contribution from Vital Trust	**—**	107	(107)	**—**	204	(204)
Adjusted Funds from Operations	**$ 26,359**	$ 25,407	$ 952	**$ 52,116**	$ 49,755	$ 2,361
FFO per Unit - Basic	**$ 0.10**	$ 0.11	$ (0.01)	**$ 0.21**	$ 0.20	$ 0.01
FFO per Unit - Diluted	**$ 0.10**	$ 0.11	$ (0.01)	**$ 0.21**	$ 0.20	$ 0.01
AFFO[1] per Unit - Basic	**$ 0.11**	$ 0.10	$ 0.01	**$ 0.21**	$ 0.20	$ 0.01
AFFO[1] per Unit - Diluted	**$ 0.11**	$ 0.10	$ 0.01	**$ 0.21**	$ 0.20	$ 0.01
Weighted average number of units outstanding						
Basic	**250,014,383**	248,856,278	1,158,105	**250,005,559**	248,482,289	1,523,270
Diluted	**250,852,728**	249,941,309	911,419	**250,901,539**	249,528,523	1,373,016

11.4. Leasing Costs and Non-Recoverable Maintenance Capital Expenditures (Proportionate Basis)[1]

As discussed in Section 4.4, "Funds from Operations and Adjusted Funds from Operations", AFFO[1] includes an adjustment for leasing costs and non-recoverable maintenance capital expenditures intended to reflect the REIT's recurring capital requirements. The tables below present actual expenditures incurred during the period, on a proportionate basis[1] and by region, and reconcile these amounts to the AFFO[1] adjustment, where applicable.

	Three months ended June 30, 2026			
($ thousands)	North America	Europe	Australia	Total
Additions to investment properties				
Leasing costs [i]	$ 395	$ —	$ 6	**$ 401**
Tenant improvements [ii]	791	811	155	**1,757**
Maintenance capital expenditures	1,180	138	—	**1,318**
Other capital expenditures	1,380	391	1,262	**3,033**
	3,746	1,340	1,423	**6,509**
Internal leasing costs expensed	506	151	—	**657**
	4,252	1,491	1,423	**7,166**
Less:				
Recoverable maintenance capital expenditures	(1,148)	(4)	—	**(1,152)**
Other value enhancing leasing and capital expenditures	(304)	(1,063)	(1,272)	**(2,639)**
Leasing costs and non-recoverable maintenance capital expenditures	2,800	424	151	**3,375**
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	(2,301)	(741)	(151)	**(3,193)**
Leasing costs and non-recoverable maintenance capital expenditures above or (below) the AFFO adjustment	**$ 499**	**$ (317)**	**$ —**	**$ 182**

(i) Leasing costs exclude internal leasing department compensation costs, which are expensed as incurred.
(ii) Tenant improvements include tenant allowances, landlord work and other maintenance-related activities.

	Six months ended June 30, 2026			
($ thousands)	North America	Europe	Australia	Total
Additions to investment properties				
Leasing costs [i]	$ 1,149	$ —	$ 14	**$ 1,163**
Tenant improvements [ii]	1,317	1,374	360	**3,051**
Maintenance capital expenditures	1,513	1,071	—	**2,584**
Other capital expenditures	2,399	410	2,022	**4,831**
	6,378	2,855	2,396	**11,629**
Internal leasing costs expensed	904	302	—	**1,206**
	7,282	3,157	2,396	**12,835**
Less:				
Recoverable maintenance capital expenditures	(1,462)	(7)	—	**(1,469)**
Other value enhancing leasing and capital expenditures	(1,408)	(2,252)	(1,960)	**(5,620)**
Leasing costs and non-recoverable maintenance capital expenditures	4,412	898	436	**5,746**
AFFO adjustment for leasing costs and non-recoverable maintenance capital expenditures	(4,400)	(1,532)	(436)	**(6,368)**
Leasing costs and non-recoverable maintenance capital expenditures above or (below) the AFFO adjustment	**$ 12**	**$ (634)**	**$ —**	**$ (622)**

(i) Leasing costs exclude internal leasing department compensation costs, which are expensed as incurred.
(ii) Tenant improvements include tenant allowances, landlord work and other maintenance-related activities.

11.5. Selected Information For Comparative Purposes

The following table reconciles net income (loss) attributable to unitholders in accordance with IFRS to FFO[(1)] and AFFO[(1)] for the periods ended as indicated. Refer to Section 4.4, "Funds from Operations and Adjusted Funds from Operations" and Section 11, "Non-GAAP and Other Supplementary Measures" for further details about this non-GAAP measure.

($ thousands except where otherwise indicated)	Q2-26	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24
Net income (loss) attributable to unitholders	**$ 279**	**$ (3,845)**	**$ (94,087)**	**$ 16,165**	**$ 25,960**	**$ (890)**	**$ 8,465**	**$ (138,252)**
Fair value (gains) losses	**(2,279)**	17,038	24,217	(5,799)	(5,624)	29,503	40,868	152,057
Less: NCI share of fair market value losses (gains)	**—**	—	31,371	7,084	5	(27,385)	(14,237)	(30,145)
Accretion of financial liabilities	**386**	2,753	2,031	970	397	3,419	1,876	937
Unrealized foreign exchange loss (gain)	**714**	(154)	(130)	2,827	(5,560)	(1,855)	(21,542)	1,888
Less: NCI share of unrealized FX loss (gain)	**—**	—	(834)	(2,795)	1,359	169	(283)	(30)
Deferred tax expense (recovery)	**(7,276)**	(1,259)	(12,627)	2,787	7,414	(4,940)	(2,971)	(30,851)
Less: NCI share of deferred taxes	**—**	—	28,925	1,109	(3,981)	2,178	3,197	4,846
Transaction costs	**3,342**	2,018	3,674	3,201	2,390	9,432	4,393	5,366
Less: NCI share of non-recurring transaction costs	**—**	—	(261)	—	(6)	—	(1,345)	(354)
Net loss on disposal of assets	**10,772**	129	1,526	311	3,380	1,399	3,274	21,299
Less: NCI share of net loss on disposal of assets	**—**	—	—	(298)	(181)	(31)	(588)	(309)
Tax on profits or losses on disposals of properties	**13,632**	936	(883)	581	—	—	503	—
Loss on internalization of Vital Trust	**—**	—	51,595	—	—	—	—	—
Less: NCI share of loss on internalization of Vital Trust	**—**	—	(3,214)	—	—	—	—	—
Net adjustments for equity accounted entities	**2,721**	11,031	(2,805)	(875)	(1,013)	12,284	1,092	24,606
Non-cash equity income from Vital Trust	**2,234**	(4,686)	—	—	—	—	—	—
Internal leasing costs	**657**	549	438	526	439	400	300	312
Property taxes accounted for under IFRIC 21	**(52)**	71	(8)	(20)	8	20	47	(108)
Net adjustment for lease liabilities	**89**	(129)	(79)	25	102	(81)	4	(189)
Employee termination benefits and related expenses	**782**	1,975	1,570	2,078	1,234	382	—	3,807
Other FFO adjustments	**208**	202	202	198	198	213	621	895
FFO[(1)]	**$ 26,209**	**$ 26,629**	**$ 30,621**	**$ 28,075**	**$ 26,521**	**$ 24,217**	**$ 23,674**	**$ 15,775**
Per Unit Amounts								
FFO[(1)] per unit - Basic	**$ 0.10**	$ 0.11	$ 0.12	$ 0.11	$ 0.11	$ 0.10	$ 0.10	$ 0.06
FFO[(1)] per unit - Diluted	**$ 0.10**	$ 0.11	$ 0.12	$ 0.11	$ 0.11	$ 0.10	$ 0.10	$ 0.06
Weighted average number of units outstanding								
Basic	**250,014,383**	249,996,735	249,992,670	249,662,325	248,856,278	248,104,145	247,493,809	246,832,144
Diluted	**250,852,728**	250,803,844	251,081,454	250,712,935	249,941,309	249,111,151	248,641,782	247,870,148

The following table presents the reconciliation from FFO(1) to AFFO(1) for the periods indicated:

($ thousands except where otherwise indicated)	Q2-26	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24
FFO(1)	**$ 26,209**	**$ 26,629**	**$ 30,621**	**$ 28,075**	**$ 26,521**	**$ 24,217**	**$ 23,674**	**$ 15,775**
Accelerated amortization of deferred financing costs	**538**	—	—	—	1,447	1,903	271	10,318
Unit-based compensation expense	**3,641**	3,016	2,624	2,118	1,018	2,573	2,102	(457)
Straight-line rental revenue	**(809)**	(707)	(174)	(95)	315	(520)	1,400	79
Less: NCI share of straight-line revenue	**—**	—	(405)	(539)	(513)	(515)	(565)	(536)
Leasing costs and non-recoverable maintenance capital expenditures	**(3,089)**	(2,998)	(3,368)	(2,790)	(3,030)	(3,369)	(2,739)	(2,993)
Less: NCI share of actual capex and leasing costs	**—**	—	145	35	240	270	88	120
Net adjustments for equity accounted entities	**(131)**	(182)	59	(476)	(591)	(213)	50	46
AFFO(1)	**$ 26,359**	**$ 25,758**	**$ 29,502**	**$ 26,328**	**$ 25,407**	**$ 24,346**	**$ 24,281**	**$ 22,352**
Per Unit Amounts								
AFFO(1) per unit - Basic	**$ 0.11**	$ 0.10	$ 0.12	$ 0.11	$ 0.10	$ 0.10	$ 0.10	$ 0.09
AFFO(1) per unit - Diluted	**$ 0.11**	$ 0.10	$ 0.12	$ 0.11	$ 0.10	$ 0.10	$ 0.10	$ 0.09
Weighted average number of units outstanding								
Basic	**250,014,383**	249,996,735	249,992,670	249,662,325	248,856,278	248,104,145	247,493,809	246,832,144
Diluted	**250,852,728**	250,803,844	251,081,454	250,712,935	249,941,309	249,111,151	248,641,782	247,870,148

11.6. Investment Properties Continuity by Region (Proportionate Basis)[1]

The following tables present the continuity of investment properties by region on a proportionate basis[1] for the periods indicated and supplement the consolidated investment property continuity discussed in Section 6, "Investment Properties".

	Three months ended June 30, 2026				
	Income Producing Properties				
($ thousands)	North America	Brazil	Europe	Australia	Total
IFRS basis balance, March 31, 2026	**$ 1,357,388**	**$ 718,932**	**$ 153,680**	**$ 140,712**	**$ 2,370,712**
Adjustments[1]	—	—	122,207	602,737	724,944
Non-IFRS proportionate balance, March 31, 2026	**1,357,388**	**718,932**	**275,887**	**743,449**	**3,095,656**
Dispositions	(2,527)	—	—	—	(2,527)
Additions to investment properties	3,746	—	303	1,476	5,525
Amortization of straight line rent	565	60	—	304	929
Fair value gain (loss)	(3,408)	12,908	1,127	2,075	12,702
Foreign currency translation	7,365	22,171	3,316	17,786	50,638
Non-IFRS proportionate balance, June 30, 2026	**$ 1,363,129**	**$ 754,071**	**$ 280,633**	**$ 765,090**	**$ 3,162,923**

	Properties Under Development				
	North America	Brazil	Europe	Australia	Total
IFRS basis balance, March 31, 2026	**$ 14,983**	**$ —**	**$ —**	**$ —**	**$ 14,983**
Adjustments[1]	—	—	—	3,250	3,250
Non-IFRS proportionate balance, March 31, 2026	**14,983**	**—**	**—**	**3,250**	**18,233**
Additions to investment properties	2,921	—	—	137	3,058
Fair value gain (loss)	(193)	—	—	(65)	(258)
Foreign currency translation	—	—	—	72	72
Non-IFRS proportionate balance, June 30, 2026	**$ 17,711**	**$ —**	**$ —**	**$ 3,394**	**$ 21,105**

	Total				
	North America	Brazil	Europe	Australia	Total
IFRS basis balance, March 31, 2026	**$ 1,372,371**	**$ 718,932**	**$ 153,680**	**$ 140,712**	**$ 2,385,695**
Adjustments[1]	—	—	122,207	605,987	728,194
Non-IFRS proportionate balance, March 31, 2026	**1,372,371**	**718,932**	**275,887**	**746,699**	**3,113,889**
Dispositions	(2,527)	—	—	—	(2,527)
Additions to investment properties	6,667	—	303	1,613	8,583
Amortization of straight line rent	565	60	—	304	929
Fair value gain (loss)	(3,601)	12,908	1,127	2,010	12,444
Foreign currency translation	7,365	22,171	3,316	17,858	50,710
Non-IFRS proportionate balance, June 30, 2026	**$ 1,380,840**	**$ 754,071**	**$ 280,633**	**$ 768,484**	**$ 3,184,028**

($ thousands)	Six months ended June 30, 2026 Income Producing Properties North America	Brazil	Europe	Australia	Total
IFRS basis balance, January 1, 2026	**$ 1,299,271**	**$ 668,650**	**$ 154,313**	**$ 134,872**	**$ 2,257,106**
Adjustments[(1)]	—	—	122,710	583,958	706,668
Non-IFRS proportionate balance, January 1, 2026	**1,299,271**	**668,650**	**277,023**	**718,830**	**2,963,774**
Dispositions	(2,527)	—	—	—	(2,527)
Acquisition of investment properties	51,282	—	—	—	51,282
Additions to investment properties	6,251	—	628	2,397	9,276
Amortization of straight line rent	1,011	118	—	565	1,694
Fair value gain (loss)	(5,334)	18,552	802	(6,875)	7,145
Foreign currency translation	13,175	66,751	2,180	50,173	132,279
Non-IFRS proportionate balance, June 30, 2026	**$ 1,363,129**	**$ 754,071**	**$ 280,633**	**$ 765,090**	**$ 3,162,923**

	Properties Under Development North America	Brazil	Europe	Australia	Total
IFRS basis balance, January 1, 2026	**$ 13,883**	**$ —**	**$ —**	**$ —**	**$ 13,883**
Adjustments[(1)]	—	—	—	5,021	5,021
Non-IFRS proportionate balance, January 1, 2026	**13,883**	**—**	**—**	**5,021**	**18,904**
Additions to investment properties	4,486	—	—	252	4,738
Fair value gain (loss)	(658)	—	—	(2,156)	(2,814)
Foreign currency translation	—	—	—	277	277
Non-IFRS proportionate balance, June 30, 2026	**$ 17,711**	**$ —**	**$ —**	**$ 3,394**	**$ 21,105**

	Total North America	Brazil	Europe	Australia	Total
IFRS basis balance, January 1, 2026	**$ 1,313,154**	**$ 668,650**	**$ 154,313**	**$ 134,872**	**$ 2,270,989**
Adjustments[(1)]	—	—	122,710	588,979	711,689
Non-IFRS proportionate balance, January 1, 2026	**1,313,154**	**668,650**	**277,023**	**723,851**	**2,982,678**
Dispositions	(2,527)	—	—	—	(2,527)
Acquisition of investment properties	51,282	—	—	—	51,282
Additions to investment properties	10,737	—	628	2,649	14,014
Amortization of straight line rent	1,011	118	—	565	1,694
Fair value gain (loss)	(5,992)	18,552	802	(9,031)	4,331
Foreign currency translation	13,175	66,751	2,180	50,450	132,556
Non-IFRS proportionate balance, June 30, 2026	**$ 1,380,840**	**$ 754,071**	**$ 280,633**	**$ 768,484**	**$ 3,184,028**

11.7. Mortgages and Term Debt Continuity by Region (Proportionate Basis)[1]

The following table presents the continuity of the REIT's mortgages and term debt by region (before reclassification as held for sale) on a proportionate basis[1] for the three and six months ended June 30, 2026.

The schedule below supplements the consolidated debt continuity discussed in Section 7.3, "Total Debt".

	For the three months ended June 30, 2026					
($ thousands)	North America Mortgages	Brazil Term Loans	Europe Mortgages	Australia Term Loans	Corporate Debt	Total
Opening balance, March 31, 2026	**$ 255,896**	**$ 126,216**	**$ 410,161**	**$ 443,003**	**$ 45,449**	**$ 1,280,725**
Principal amortization	(1,623)	(7,665)	(1,434)	—	—	(10,722)
Repayments	(65,026)	—	(305,318)	—	—	(370,344)
Debt settled upon sale of investment properties	—	—	(51,036)	—	—	(51,036)
Accretion of financial liabilities	—	386	—	—	—	386
Foreign exchange adjustment	—	3,868	2,112	10,606	436	17,022
	189,247	122,805	54,485	453,609	45,885	866,031
Unamortized deferred financing costs	(703)	(1,029)	(65)	(811)	(213)	(2,821)
Ending balance, June 30, 2026	**$ 188,544**	**$ 121,776**	**$ 54,420**	**$ 452,798**	**$ 45,672**	**$ 863,210**

	For the six months ended June 30, 2026					
($ thousands)	North America Mortgages	Brazil Term Loans	Europe Mortgages	Australia Term Loans	Corporate Debt	Total
Opening balance, January 1, 2026	**$ 281,518**	**$ 122,620**	**$ 414,745**	**$ 423,887**	**$ 45,042**	**$ 1,287,812**
Principal amortization	(3,543)	(14,873)	(4,501)	—	—	(22,917)
Repayments	(88,728)	—	(305,318)	—	—	(394,046)
Debt settled upon sale of investment properties	—	—	(51,036)	—	—	(51,036)
Accretion of financial liabilities	—	3,139	—	—	—	3,139
Foreign exchange adjustment	—	11,919	595	29,722	843	43,079
	189,247	122,805	54,485	453,609	45,885	866,031
Unamortized deferred financing costs	(703)	(1,029)	(65)	(811)	(213)	(2,821)
Ending balance, June 30, 2026	**$ 188,544**	**$ 121,776**	**$ 54,420**	**$ 452,798**	**$ 45,672**	**$ 863,210**

11.8. Financial Ratio Calculations

The following tables present the calculations supporting the leverage, coverage, and supplementary financial ratios disclosed in Section 7.4, "Financial Ratios". Ratios are calculated in accordance with the definitions contained in the REIT's Declaration of Trust, revolving credit agreement and senior unsecured debenture indentures, as applicable, or as otherwise used by management.

Debt to Gross Book Value Ratios

The following tables present the calculation of Total Debt and Gross Book Value used in determining the leverage ratios disclosed in Section 7.4, "Financial Ratios":

	As at June 30, 2026		As at December 31, 2025	
($ thousands)	**IFRS**	**Proportionate Basis(1)**	IFRS	Proportionate Basis(1)
Mortgages and term debt	**$ 434,134**	**$ 863,210**	$ 613,487	$ 1,018,639
Credit facility	**76,344**	**76,344**	—	—
Debentures	**741,331**	**741,331**	746,631	746,631
Lease liabilities	**14,406**	**14,406**	10,300	10,300
Unamortized financing costs	**5,955**	**6,567**	7,981	8,832
Liabilities related to assets held for sale	**—**	**—**	221,065	263,019
Debt(1)	**$ 1,272,170**	**$ 1,701,858**	$ 1,599,464	$ 2,047,421

	As at June 30, 2026		As at December 31, 2025	
($ thousands except where otherwise indicated)	**IFRS**	**Proportionate Basis(1)**	IFRS	Proportionate Basis(1)
Debt(1)	**$ 1,272,170**	**$ 1,701,858**	$ 1,599,464	$ 2,047,421
Gross Book Value(1)	**3,196,453**	**3,635,922**	3,449,090	3,909,736
Debt to Gross Book Value(1)	**39.8 %**	**46.8 %**	46.4 %	52.4 %

Adjusted EBITDA[1]

Adjusted EBITDA[1] is calculated on both an IFRS and proportionate basis and is used in the calculation of the interest coverage, debt service coverage, and Debt to Adjusted EBITDA[1] ratios disclosed in Section 7.4, "Financial Ratios".

Following the deconsolidation of Vital Trust on December 30, 2025, Adjusted EBITDA[1] no longer includes the REIT's proportionate share of Vital Trust operating results. As a result, comparability with prior periods is affected.

	For the three months ended			
	June 30, 2026		June 30, 2025	
($ thousands)	**IFRS Basis**	**Proportionate Basis[1]**	IFRS Basis	Proportionate Basis[1]
Net income (loss)	**$ 279**	**$ 279**	$ 32,621	$ 25,960
Finance costs	**21,715**	**26,932**	33,571	31,906
Income tax (expense) recovery	**7,818**	**7,996**	10,943	5,504
Amortization of other assets	**482**	**482**	543	543
Fair value adjustment of convertible debentures	**1,973**	**1,973**	206	206
Fair value adjustment of investment properties	**(5,482)**	**(7,858)**	(13,619)	(9,765)
Fair value adjustment of financial instruments	**1,778**	**2,465**	8,377	3,152
Fair value adjustment of unit-based compensation liabilities	**(548)**	**(548)**	(588)	(588)
Accretion of financial liabilities	**386**	**386**	397	397
Unrealized foreign exchange loss (gain)	**714**	**714**	(5,560)	(4,201)
Transaction costs	**3,342**	**3,321**	2,390	2,384
Net loss on disposal of assets	**10,772**	**14,985**	3,379	3,199
Employee termination benefits and related expenses	**782**	**782**	1,234	1,234
Unit-based compensation expense	**3,641**	**3,641**	1,018	1,018
Net adjustments for equity accounted investments	**2,721**	**—**	(1,013)	—
Non-cash equity income from Vital Trust	**2,234**	**2,234**	—	—
Adjusted EBITDA[1]	**$ 52,607**	**$ 57,784**	$ 73,899	$ 60,949

	For the six months ended			
	June 30, 2026		June 30, 2025	
($ thousands)	**IFRS Basis**	**Proportionate Basis**	IFRS Basis	Proportionate Basis
Net income (loss)	**$ (3,566)**	**$ (3,566)**	$ 17,091	$ 25,070
Finance costs	**41,994**	**52,198**	72,010	68,945
Income tax (expense) recovery	**8,941**	**8,894**	9,612	5,404
Amortization of other assets	**820**	**820**	1,118	1,118
Fair value adjustment of convertible debentures	**(2,856)**	**(2,856)**	10,691	10,691
Fair value adjustment of investment properties	**16,610**	**26,766**	32,728	23,418
Fair value adjustment of financial instruments	**572**	**(161)**	(20,422)	(28,054)
Fair value adjustment of unit-based compensation liabilities	**433**	**433**	882	882
Accretion of financial liabilities	**3,139**	**3,139**	3,816	3,816
Unrealized foreign exchange loss (gain)	**560**	**560**	(7,415)	(5,886)
Transaction costs	**5,360**	**5,360**	11,822	11,816
Net loss on disposal of assets	**10,901**	**15,114**	4,778	4,566
Employee termination benefits and related expenses	**2,757**	**2,757**	1,616	1,616
Unit-based compensation expense	**6,657**	**6,657**	3,591	3,591
Net adjustments for equity accounted entities	**13,751**	**—**	11,271	—
Non-cash equity income from Vital Trust	**(2,452)**	**(2,452)**	—	—
Adjusted EBITDA	**$ 103,621**	**$ 113,663**	$ 153,189	$ 126,993

Debt to Adjusted EBITDA[1] (Proportionate Basis)

Debt to Adjusted EBITDA[1] is presented on a proportionate basis[1], consistent with how management monitors leverage across the REIT's consolidated and joint venture investments.

($ thousands except where otherwise indicated)	June 30, 2026	December 31, 2025
Debt[i]	$ 1,701,858	$ 2,047,421
Trailing twelve months adjusted EBITDA[1][i][ii]	240,981	254,309
Debt to Adjusted EBITDA[1]	**7.1**	8.1

(i) The December 31, 2025 ratio reflects Adjusted EBITDA that includes Vital Trust, while debt excludes Vital Trust. Presented on a comparable basis, using the distributions the REIT receives from Vital Trust in place of its EBITDA, the ratio was 8.7x.

(ii) The June 30, 2026 ratio reflects Adjusted EBITDA that includes the disposed European properties, while debt excludes them. Excluding the EBITDA from those properties, which better reflects the REIT's go-forward leverage, the ratio was 7.7x.

Interest Coverage Ratio

The following tables present the calculation of the interest coverage ratio disclosed in Section 7.4, "Financial Ratios":

	For the trailing twelve months ended			
	June 30, 2026		June 30, 2025	
($ thousands except where otherwise indicated)	IFRS Basis	Proportionate Basis[1]	IFRS Basis	Proportionate Basis[1]
Trailing twelve month adjusted EBITDA[1]	$ 259,499	$ 240,981	$ 316,961	$ 265,939
Trailing twelve month interest expense for interest coverage ratio	111,136	109,943	168,980	150,165
Interest coverage ratio	**2.3**	**2.2**	1.9	1.8