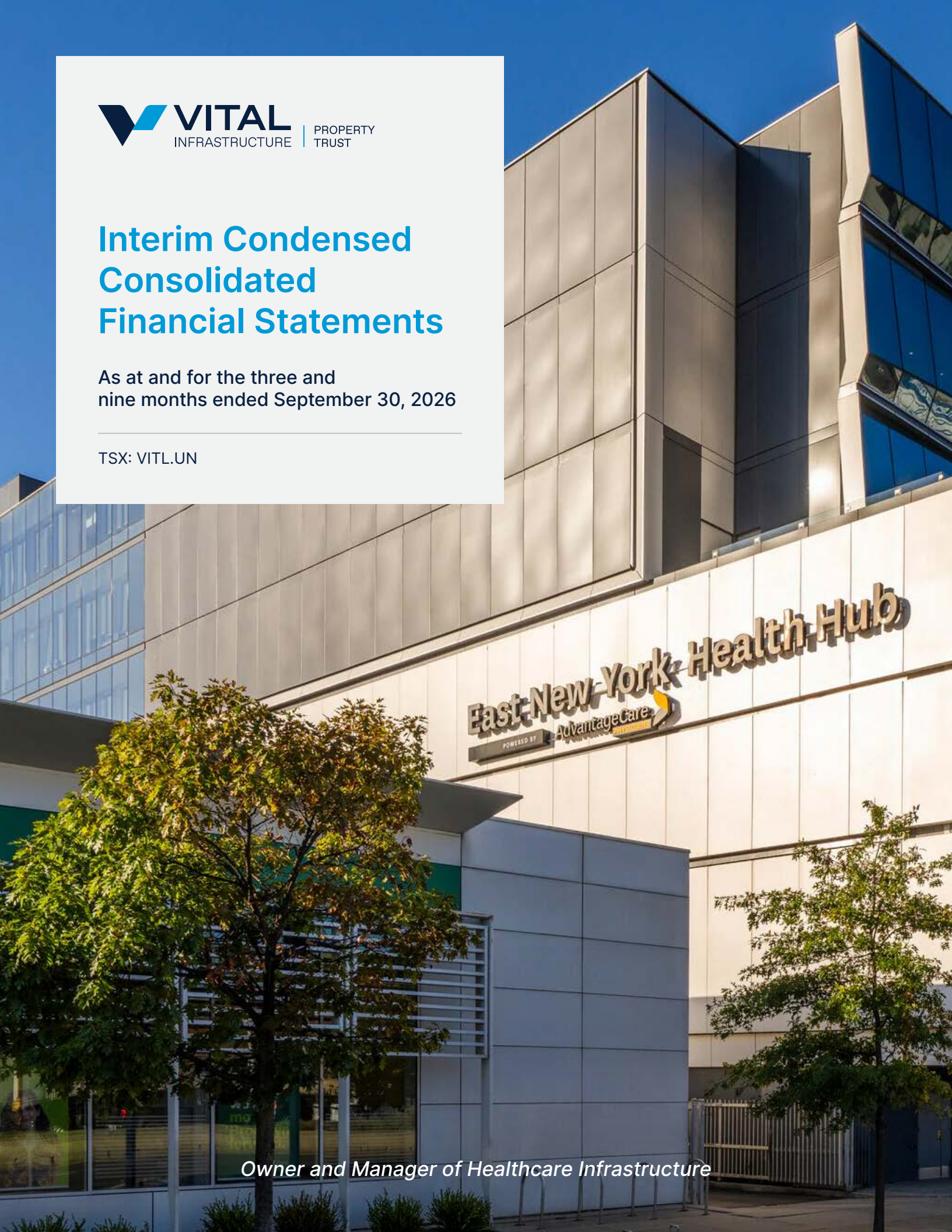
VITAL INFRASTRUCTURE | PROPERTY TRUST

Interim Condensed Consolidated Financial Statements

As at and for the three and nine months ended September 30, 2026

TSX: VITL.UN



Owner and Manager of Healthcare Infrastructure

TABLE OF CONTENTS

Financial Statements

3 Condensed Consolidated Interim Balance Sheets

4 Condensed Consolidated Interim Statements of Income

5 Condensed Consolidated Interim Statements of Comprehensive Income

6 Condensed Consolidated Interim Statements of Changes in Equity

7 Condensed Consolidated Interim Statements of Cash Flows

8 Notes to the Condensed Consolidated Interim Financial Statements

8 Note 1. Nature and Description of the Trust

8 Note 2. Summary of Material Accounting Policies

8 Note 3. Future Accounting Standards and Changes in Accounting Standards

9 Note 4. Investment Property Transactions

11 Note 5. Investment Properties

13 Note 6. Equity Accounted Investments

16 Note 7. Accounts Receivable and Other Assets

16 Note 8. Mortgages and Term Debt

19 Note 9. Credit Facility

19 Note 10. Debentures

21 Note 11. Accounts Payable and Other Liabilities

21 Note 12. Unitholders' Equity

22 Note 13. Revenue from Investment Properties

22 Note 14. Property Operating Costs

22 Note 15. Interest and Other Income

22 Note 16. Finance Costs

23 Note 17. General and Administrative Expenses

23 Note 18. Transaction Costs

24 Note 19. Financial Instruments

25 Note 20. Supplemental Cash Flow Information

26 Note 21. Segmented Information

30 Note 22. Commitments and Contingent Liabilities

31 Note 23. Subsequent Events

Vital Infrastructure Property Trust
Condensed Consolidated Interim Balance Sheets
(unaudited)

(in thousands of Canadian dollars)	Note		**As at September 30, 2026**		As at December 31, 2025
Assets					
Investment properties	4, 5	**$**	**2,617,038**	$	2,270,989
Equity accounted investments	6		**643,743**		650,540
Deferred tax assets			**2,219**		2,668
Accounts receivable and other assets	7		**72,279**		46,844
Assets held for sale	4		**—**		383,968
Cash and cash equivalents			**50,120**		94,081
Total assets		**$**	**3,385,399**	$	3,449,090
Liabilities					
Mortgages and term debt	8	**$**	**448,978**	$	613,487
Credit facility	9		**268,831**		—
Debentures	10		**738,064**		746,631
Deferred tax liabilities			**222,826**		240,340
Accounts payable and other liabilities	11		**165,123**		120,721
Liabilities related to assets held for sale	4		**—**		221,065
Total liabilities			**1,843,822**		1,942,244
Equity					
Unitholders' equity			**1,541,577**		1,506,846
Total equity			**1,541,577**		1,506,846
Total liabilities and equity		**$**	**3,385,399**	$	3,449,090

Commitments and Contingencies (Note 22) and Subsequent Events (Note 23)
See accompanying notes to the condensed consolidated interim financial statements

Vital Infrastructure Property Trust
Condensed Consolidated Interim Statements of Income
(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended		For the nine months ended	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Net property operating income					
Revenue from investment properties	13	**$ 61,214**	$ 104,286	**$ 201,371**	$ 314,937
Property operating costs	14	**(16,086)**	(25,118)	**(59,951)**	(82,313)
		45,128	79,168	**141,420**	232,624
Other income (expenses)					
Interest and other income	15	**1,341**	2,386	**4,846**	11,115
Management fees		**3,565**	4,016	**11,164**	11,379
Share of income (loss) from equity accounted investments	6	**380**	4,666	**4,748**	572
Finance costs	16	**(20,870)**	(32,502)	**(62,864)**	(104,512)
General and administrative expenses	17	**(10,831)**	(16,218)	**(40,455)**	(45,957)
Transaction costs	18	**(1,109)**	(3,201)	**(6,469)**	(15,023)
Foreign exchange gain (loss)		**141**	(2,638)	**(471)**	4,655
Accretion of financial liabilities	8	**(762)**	(970)	**(3,901)**	(4,786)
Fair value adjustment of convertible debentures	10	**2,206**	(6,850)	**5,062**	(17,541)
Fair value adjustment of financial instruments	19	**—**	4,248	**(572)**	24,670
Fair value adjustment of investment properties	4, 5	**7,093**	8,781	**(9,517)**	(23,947)
Net loss on disposals of assets	4	**(198)**	(311)	**(11,099)**	(5,089)
Fair value adjustment of unit-based compensation liabilities		**507**	(380)	**74**	(1,262)
Income before taxes		**26,591**	40,195	**31,966**	66,898
Current income tax expense	11	**(30,953)**	(6,241)	**(48,429)**	(13,379)
Deferred income tax (expense) recovery		**26,256**	(2,787)	**34,791**	(5,261)
Income tax expense		**(4,697)**	(9,028)	**(13,638)**	(18,640)
Net income		**$ 21,894**	$ 31,167	**$ 18,328**	$ 48,258
Net income attributable to:					
Unitholders		**$ 21,894**	$ 16,165	**$ 18,328**	$ 41,235
Non-controlling interests	6	**—**	15,002	**—**	7,023
		$ 21,894	$ 31,167	**$ 18,328**	$ 48,258

See accompanying notes to the condensed consolidated interim financial statements

Vital Infrastructure Property Trust
Condensed Consolidated Interim Statements of Comprehensive Income
(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended		For the nine months ended	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Net income		**$ 21,894**	$ 31,167	**$ 18,328**	$ 48,258
Foreign currency translation adjustments		**476**	41,124	**93,201**	92,373
Foreign currency translation gains recycled to net income (loss)	4	**—**	—	**(9,440)**	—
Other comprehensive income		**$ 476**	$ 41,124	**$ 83,761**	$ 92,373
Comprehensive income		**$ 22,370**	$ 72,291	**$ 102,089**	$ 140,631
Comprehensive income attributable to:					
Unitholders		**$ 22,370**	$ 55,254	**$ 102,089**	$ 116,580
Non-controlling interests		**—**	17,037	**—**	24,051
		$ 22,370	$ 72,291	**$ 102,089**	$ 140,631

See accompanying notes to the condensed consolidated interim financial statements

Vital Infrastructure Property Trust
Condensed Consolidated Interim Statements of Changes in Equity
(unaudited)

(in thousands of Canadian dollars)	Note	Trust Units	Contributed Surplus	Cumulative Distributions	Accumulated Other Comprehensive Loss	Cumulative Net Income	**Total Unitholders' Equity**
Balance, December 31, 2025		$ 2,557,624	$ 39,724	$ (1,195,499)	$ (265,216)	$ 370,213	**$ 1,506,846**
Units issued on exercise of unit-based compensation	12	145	—	—	—	—	**145**
Distributions		—	—	(67,503)	—	—	**(67,503)**
Foreign currency translation gains recycled to net income (loss)	4	—	—	—	(9,440)	—	**(9,440)**
Foreign currency translation adjustments		—	—	—	93,201	—	**93,201**
Net income		—	—	—	—	18,328	**18,328**
Balance, September 30, 2026		**$ 2,557,769**	**$ 39,724**	**$ (1,263,002)**	**$ (181,455)**	**$ 388,541**	**$ 1,541,577**

(in thousands of Canadian dollars)	Trust Units	Contributed Surplus	Cumulative Distributions	Accumulated Other Comprehensive Loss	Cumulative Net Income	Total Unitholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2024	$ 2,547,239	$ 39,724	$ (1,105,774)	$ (357,996)	$ 440,224	$ 1,563,417	$ 1,018,098	$ 2,581,515
Units issued through distribution reinvestment plan	9,744	—	—	—	—	9,744	6,809	16,553
Units issued on exercise of unit-based compensation	631	—	—	—	—	631	—	631
Change in relative interest of non-controlling interest	—	—	—	(854)	—	(854)	854	—
Conversion of convertible debentures	10	—	—	—	—	10	—	10
Distributions	—	—	(67,226)	—	—	(67,226)	(29,187)	(96,413)
Foreign currency translation adjustments	—	—	—	76,199	—	76,199	16,174	92,373
Net income	—	—	—	—	41,235	41,235	7,023	48,258
Balance, September 30, 2025	$ 2,557,624	$ 39,724	$ (1,173,000)	$ (282,651)	$ 481,459	$ 1,623,156	$ 1,019,771	$ 2,642,927

See accompanying notes to the condensed consolidated interim financial statements

Vital Infrastructure Property Trust
Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended		For the nine months ended	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Operating activities					
Net income (loss)		**$ 21,894**	$ 31,167	**$ 18,328**	$ 48,258
Income tax expense		**4,697**	9,028	**13,638**	18,640
Income taxes (paid) refunded		**648**	(6,667)	**(3,823)**	(14,181)
Finance costs	16	**20,870**	32,502	**62,864**	104,512
Finance costs paid		**(25,874)**	(41,485)	**(65,789)**	(105,459)
Accretion of financial liabilities	8	**762**	970	**3,901**	4,786
Interest and other income	15	**(1,341)**	(2,386)	**(4,846)**	(11,115)
Share of (income) loss from equity accounted investments	6	**(380)**	(4,666)	**(4,748)**	(572)
Transaction costs	18	**1,109**	3,201	**6,469**	15,023
Net loss on disposal of assets	4	**198**	311	**11,099**	5,089
Redemption of units issued under unit-based compensation plans and paid in cash	12	**(815)**	(1,858)	**(2,344)**	(2,547)
Items not affecting cash	20	**(7,386)**	(268)	**15,410**	20,905
Changes in non-cash working capital balances	20	**(8,623)**	338	**664**	15,105
Cash provided by operating activities		**5,759**	20,187	**50,823**	98,444
Investing activities					
Acquisitions of investment properties	4	**(168,875)**	—	**(220,157)**	—
Net proceeds on disposal of investment properties	4	**(198)**	34,863	**330,288**	101,185
Net proceeds on settlement of derivative financial instruments	19	**—**	—	**3,048**	—
Net proceeds from disposition of investments in real estate securities		**—**	—	**—**	213,296
Distribution income	6	**6,391**	(29)	**57,363**	5,618
Additions to investment properties	4, 5	**(6,318)**	(21,538)	**(20,144)**	(97,170)
Transaction costs paid	18	**(1,108)**	(3,563)	**(7,042)**	(15,812)
Additions to furniture and fixtures		**(15)**	(108)	**(382)**	(1,780)
Cash interest received		**1,291**	1,166	**4,724**	2,787
Contributions in equity accounted investments	6	**(1,253)**	(381)	**(9,835)**	(3,225)
Net (increase) decrease in restricted cash		**(30,104)**	1,641	**(30,132)**	1,144
Cash provided by (used in) investing activities		**(200,189)**	12,051	**107,731**	206,043
Financing activities					
Net secured credit facility advances	9	**(77,539)**	57,100	**—**	(173,354)
Net unsecured credit facility advances	9	**269,343**	—	**269,343**	—
Mortgage and term debt advances	8	**30,521**	81,341	**30,521**	345,277
Repayments of mortgages payable and term debt	8	**(15,857)**	(148,641)	**(431,485)**	(750,303)
Distributions paid on REIT units		**(22,502)**	(18,957)	**(67,503)**	(57,455)
Distributions paid to non-controlling interests		**—**	(6,525)	**—**	(22,378)
Financing fees paid on mortgage and loans payable	8	**(1,459)**	(1,818)	**(1,903)**	(4,095)
Issuance of debentures, net of financing fees	10	**—**	—	**—**	496,721
Repurchase and cancellation of convertible debentures under normal course issuer bid	10	**(1,276)**	—	**(4,170)**	—
Repurchase and cancellation of convertible debentures	10	**—**	—	**—**	(124,990)
Repayment of lease liabilities		**(294)**	(694)	**(998)**	(2,132)
Cash provided by (used in) financing activities		**180,937**	(38,194)	**(206,195)**	(292,709)
Change in cash and cash equivalents		**(13,493)**	(5,956)	**(47,641)**	11,778
Effect of foreign currency translation		**221**	4,313	**3,680**	12,883
Net change in cash and cash equivalents		**(13,272)**	(1,643)	**(43,961)**	24,661
Cash and cash equivalents, beginning of period		**63,392**	77,551	**94,081**	51,247
Cash and cash equivalents, end of period		**$ 50,120**	$ 75,908	**$ 50,120**	$ 75,908

See additional disclosure in Note 20. Supplemental Cash Flow Information
See accompanying notes to the condensed consolidated interim financial statements

Note 1. Nature and Description of the Trust

Vital Infrastructure Property Trust ("Vital Infrastructure", the "REIT", or the "Trust"), is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. Established on January 1, 2010, the Trust operates pursuant to a fourth amended and restated Declaration of Trust dated March 11, 2026 (the "Declaration of Trust"). On March 11, 2026, the Trust changed its name from Northwest Healthcare Properties REIT to Vital Infrastructure Property Trust.

Vital Infrastructure invests in healthcare real estate through a diversified portfolio of inpatient facilities, outpatient facilities, and other healthcare-related properties. The registered office of the Trust is 145 King Street West, Suite 600, Toronto, Ontario, M5H 1J8. Vital Infrastructure's trust units ("Trust Units" or "Units") are listed on the Toronto Stock Exchange ("TSX") under the symbol "VITL.UN".

Note 2. Summary of Material Accounting Policies

The material accounting policies and critical accounting estimates and judgments applied in preparing these unaudited condensed consolidated interim financial statements are consistent with those disclosed in the REIT's audited consolidated financial statements for the year ended December 31, 2025. These unaudited condensed consolidated interim financial statements are presented in thousands of Canadian dollars.

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including IAS 34, "Interim Financial Reporting". They should be read in conjunction with the REIT's audited consolidated financial statements and accompanying notes for the year ended December 31, 2025.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Trustees of the REIT on November 11, 2026.

Note 3. Future Accounting Standards and Changes in Accounting Standards

Amendments to IFRS 9 and IFRS 7

In May 2024, amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments did not have a material impact on the REIT's condensed consolidated interim financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1, *Presentation of Financial Statements*, and will be effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 establishes a prescribed structure for the statement of profit or loss, requiring defined subtotals and separate categories for operating, investing and financing activities. It also introduces new disclosure requirements for management-defined performance measures ("MPMs") and enhanced requirements for the aggregation and disaggregation of information presented in the financial statements and accompanying notes.

The REIT is progressing in its assessment of the impact of IFRS 18 on its consolidated financial statements. As part of this assessment, management has concluded that investing in investment properties to earn rental income is a specified main business activity under IFRS 18 and has assessed the resulting impact on the classification and presentation of income and expenses. Management has also identified Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO") as MPMs and continues to assess whether other measures reported outside the consolidated financial statements meet the definition of an MPM. Management continues to assess the broader presentation and disclosure impacts of IFRS 18 in advance of its adoption on January 1, 2027.

Note 4. Investment Property Transactions

Acquisitions

During the nine months ended September 30, 2026, the REIT acquired the following income-producing properties:

($ thousands)

Property	Date of acquisition	Location	Interest acquired	Purchase price[(i)]
Ottawa Hospital Transitional Care Centre	March 24	Ottawa, Canada	100%	$ 51,282
East New York Health Hub	July 23	Brooklyn, USA	100%	128,296
Burlington Medical Centre	September 10	Burlington, Canada	100%	27,400
Westgrove Centre	September 30	Edmonton, Canada	100%	13,179
Total acquisitions				**$ 220,157**

(i) Purchase price includes $5.8 million of directly attributable costs capitalized on acquisition, consisting of land transfer taxes, site improvements, and legal and advisory costs.

Dispositions

During the nine months ended September 30, 2026, the REIT disposed of the following investment properties, including properties previously classified as held for sale, and properties held through the REIT's equity accounted investments:

($ thousands)

Property	Date of disposition	Location	Effective interest disposed	Sale price excl. selling costs	Debt settled upon sale	Working capital adj.	Cash received
Investment properties							
St. Mary's Medical Plaza	May 5	Tucson, USA	100%	$ 2,527	$ —	$ —	$ 2,527
Assets held for sale							
Portfolio of 2 wholly-owned properties	Apr 29	Netherlands	100%	20,297	8,920	345	11,032
Portfolio of 21 wholly-owned properties	Jun 30	Germany	100%	337,268	—	—	337,268
Total dispositions of assets held for sale				357,565	8,920	345	348,300
Total dispositions of investment properties and assets held for sale							350,827
Less: Contractual settlements and external transaction and advisory costs [(i)]							(20,539)
Net proceeds from disposal of investment properties and assets held for sale							**$330,288**
Equity accounted investments							
Portfolio of 10 properties within the European joint venture	Apr 29	Netherlands	30%	$ 76,230	$ 42,114	$ 3,320	$ 30,796

(i) Includes prepayment fees, lease-related obligations, and tax and working capital adjustments settled on closing.

During the nine months ended September 30, 2026, the REIT disposed of 23 wholly-owned properties in Germany and the Netherlands, with a fair value of $357.6 million. These properties formed part of a 33-property portfolio sale agreement with TPG Real Estate dated February 24, 2026, which also included 10 properties held through the REIT's joint venture in the Netherlands, with a fair value of $254.1 million ($76.2 million at the REIT's 30% interest). The portfolio comprised 30 income-producing properties and three properties under development. The Netherlands portion closed on April 29, 2026, and the German portion closed on June 30, 2026.

The properties held through the REIT's joint venture in the Netherlands were sold by the REIT's European equity accounted joint venture. The REIT recognized its share of the loss on disposal of assets in share of net income (loss) and comprehensive income (loss) in equity accounted investments. Refer to Note 6 for additional information.

In connection with the disposition, the REIT repaid $210.3 million of mortgages on the wholly-owned German properties. A further $8.9 million of mortgages on the wholly-owned Netherlands properties and $140.4 million of mortgages on the joint venture properties ($42.1 million at the REIT's 30% interest) were settled as part of the transaction.

For the three and nine months ended September 30, 2026, the REIT incurred a net loss on disposal of assets as follows:

	September 30, 2026	
($ thousands)	Three Months	Nine Months
Contractual settlements and external transaction and advisory costs [(i)]	$ 198	$ 20,539
Foreign currency translation gains recycled to net income (loss)	—	(9,440)
Net loss on disposal of assets	**$ 198**	**$ 11,099**

(i) Includes prepayment fees, lease-related obligations, and tax and working capital adjustments settled on closing.

Assets Held for Sale

($ thousands)	Note	**Nine months ended September 30, 2026**	Year ended December 31, 2025
Balance, beginning of period		**$ 383,968**	$ 59,278
Transfer from investment properties	5	**—**	511,956
Capital expenditures		**2,227**	753
Amortization of straight-line rent		**(128)**	(59)
Dispositions		**(357,565)**	(182,653)
Fair value adjustment of investment properties		**(28,578)**	(848)
Foreign currency translation		**76**	(4,459)
Balance, end of period		**$ —**	$ 383,968

Note 5. Investment Properties

($ thousands)	Note	Income-Producing Properties	Properties Under Development	**Nine months ended September 30, 2026**	Year ended December 31, 2025
Balance, beginning of period		$ 2,257,106	$ 13,883	**$ 2,270,989**	$ 5,260,990
Acquisition of investment properties	4	220,157	—	**220,157**	—
Additions to investment properties[(i)(ii)]		11,467	6,450	**17,917**	125,265
Amortization of straight-line rent		2,650	—	**2,650**	1,421
Transfers from (to) assets held for sale	4	—	—	**—**	(511,956)
Transfer to equity accounted investments on loss of control of Vital Trust		—	—	**—**	(2,650,427)
Dispositions of investment properties	4	(2,527)	—	**(2,527)**	(1,592)
Fair value adjustment of investment properties		20,042	(981)	**19,061**	(61,020)
Foreign currency translation		88,791	—	**88,791**	108,308
Balance, end of period		$ 2,597,686	$ 19,352	**$ 2,617,038**	$ 2,270,989

(i) Additions include certain directly attributable leasing costs, capital and development expenditures and new right-of-use assets.
(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.29% (note 16) (December 31, 2025 - 5.02%).

Valuation Methodology and Governance
Refer to the REIT's 2025 audited annual consolidated financial statements for the description of its valuation methodology and process.

Significant Valuation Assumptions
The key valuation assumptions used in determining the fair value of the REIT's investment properties, by segment, are set out in the following table. Properties held for sale and equity accounted investments are excluded.

	As at September 30, 2026					
	Discount rate		**Terminal capitalization rate**		**Overall capitalization rate**	
	Range	**Weighted average**	**Range**	**Weighted average**	**Range**	**Weighted average**
North America	**6.75% - 9.00%**	**7.65%**	**6.25% - 8.25%**	**7.02%**	**5.05% - 9.70%**	**6.70%**
Brazil	**9.15% - 9.75%**	**9.35%**	**8.15% - 8.75%**	**8.30%**	**8.69% - 9.69%**	**8.91%**
Europe	**5.75% - 6.55%**	**6.05%**	**5.25% - 5.50%**	**5.34%**	**6.00% - 8.74%**	**6.81%**
Australasia	**6.50% - 7.25%**	**6.69%**	**5.25% - 6.75%**	**5.76%**	**5.13% - 6.25%**	**5.51%**
Total	**5.75% - 9.75%**	**8.00%**	**5.25% - 8.75%**	**7.22%**	**5.05% - 9.70%**	**7.28%**

	As at December 31, 2025					
	Discount rate		Terminal capitalization rate		Overall capitalization rate	
	Range	Weighted average	Range	Weighted average	Range	Weighted average
North America	6.75% - 9.25%	7.66%	6.25% - 8.50%	6.95%	4.89% - 9.36%	6.72%
Brazil	9.15% - 9.75%	9.43%	8.15% - 8.75%	8.30%	8.65% - 9.87%	8.88%
Europe	5.75% - 6.50%	6.02%	5.25% - 5.50%	5.34%	6.00% - 8.74%	6.81%
Australasia	6.50% - 7.25%	6.68%	5.25% - 6.75%	5.74%	5.00% - 6.25%	5.43%
Total	5.75% - 9.75%	8.01%	5.25% - 8.75%	7.17%	4.89% - 9.87%	7.29%

The significant assumptions and inputs used in the valuation techniques to estimate the fair value of income producing properties are classified as Level 3 in the fair value hierarchy, as key inputs are not based on observable market data.

Independent Appraisals

As part of its valuation program, the REIT engages independent third-party appraisers on a rotating basis. Each year, a selection of properties across asset types and geographies is externally appraised, and each income-producing property is externally appraised at least once within a multi-year cycle. Management reviews the methodologies and key assumptions in these external valuations and uses them as market evidence and benchmarking inputs in its internal valuation models where appropriate. Fair values recorded in the condensed consolidated interim financial statements represent management's estimates, informed by external appraisals.

During the nine months ended September 30, 2026, independent third-party appraisers valued investment properties with an aggregate fair value of $218.8 million, representing approximately 8% of the portfolio (September 30, 2025 - $2.3 billion or 42%).

Fair Value Sensitivity

The fair value of investment properties is most sensitive to changes in capitalization rates. The table below summarizes the impact of capitalization rate changes on fair value. Properties held for sale and equity accounted investments are excluded.

Rate sensitivity	Weighted average overall capitalization rate	Fair value (in $millions)	Change in fair value (in $millions)	% Change
(0.75)%	6.52%	$2,926	$309	11.82%
(0.50)%	6.77%	$2,815	$198	7.57%
(0.25)%	7.02%	$2,712	$95	3.65%
—%	7.28%	$2,617	$—	—%
0.25%	7.52%	$2,528	$(89)	(3.39)%
0.50%	7.77%	$2,445	$(172)	(6.56)%
0.75%	8.02%	$2,368	$(249)	(9.52)%

Note 6. Equity Accounted Investments

The REIT holds interests in certain joint ventures and associates that are accounted for using the equity method. These arrangements generally involve real estate entities that own income-producing properties or development projects. Under the equity method, the REIT recognizes its share of each investee's net income and other comprehensive income in the period in which they arise and reduces the carrying amount of the investment for distributions received. The carrying amount is updated at each reporting date.

Equity accounted investment	Classification	Ownership interest	Location
Vital Healthcare Property Trust ("Vital Trust")	Associate	23.8 %	New Zealand
NWI Galaxy JV GmbH & Co. KG ("European JV")	Joint Venture	30.0 %	Europe
NorthWest Australia HSO Trust	Joint Venture	30.0 %	Australia
NorthWest Australia Hospital Investment Trust	Joint Venture	30.0 %	Australia
NorthWest Healthcare Properties Australia REIT ("AREIT")	Joint Venture	30.0 %	Australia
NorthWest Australia Hospital Investment Galaxy 2 Trust	Joint Venture	30.0 %	Australia

Vital Healthcare Property Trust

On December 30, 2025, Vital Trust completed the internalization of its external management structure, resulting in the REIT losing control of Vital Trust under IFRS Accounting Standards. At that time, the related non-controlling interest was derecognized, and the REIT's retained interest was accounted for as an investment in associate.

For the year ended December 31, 2025, the REIT consolidated Vital Trust's results up to December 30, 2025, and recognized a non-controlling interest in respect of units not owned by the REIT. As a result, prior period results include amounts attributable to non-controlling interests. Subsequently, the REIT's interest in Vital Trust is reflected as equity-accounted income. The REIT's ownership interest in Vital Trust fluctuated over time due to equity issuances, distribution reinvestment plans, and other unit transactions, and was approximately 23.9% immediately prior to that date.

The REIT's investment in Vital Trust is quoted in an active market and, as at September 30, 2026, has a carrying amount of $322.0 million and a fair value of $285.7 million. Management assessed the investment for objective evidence of impairment and concluded that there were no loss events and that the decline in unit price below cost was not significant or prolonged. Accordingly, no impairment test was performed. The REIT will reassess the investment at December 31, 2026.

Australian Joint Venture Arrangements ("Australia")

As at September 30, 2026, the REIT's investments in its Australian joint ventures, which provided capital funding for the historical acquisition of investment properties, continue to operate under a common investment framework, including a shared third-party partner, similar asset types and geographic focus, and consistent investment management terms. Given these common features, the joint ventures are presented together below.

European JV

The commitment period for the European JV has expired; however, additional capital may be deployed if mutually agreed by the joint venture partners.

Certain properties held through the REIT's joint venture in the Netherlands formed part of a portfolio that was sold during the three months ended June 30, 2026. Refer to Note 4 for additional information.

Summarized financial information for the equity accounted investments at 100% and the REIT's ownership interest are set out below:

	As at September 30, 2026				As at December 31, 2025			
($ thousands)	Vital Trust	Australia	European JV	**Total**	Vital Trust	Australia	European JV	Total
Investment properties (including Assets held for sale)	$2,851,470	$2,139,888	$ 377,065	**$5,368,423**	$2,650,427	$2,078,150	$ 632,018	$5,360,595
Other assets	64,716	59,614	14,714	**139,044**	48,421	1,564	23,667	73,652
Mortgages and term loans (including Liabilities related to assets held for sale)	(1,179,806)	(1,282,670)	(163,073)	**(2,625,549)**	(1,082,008)	(1,188,670)	(307,573)	(2,578,251)
Other liabilities	(159,756)	(12,890)	(17,956)	**(190,602)**	(135,211)	(20,433)	(25,184)	(180,828)
Net assets at 100%	1,576,624	903,942	210,750	**2,691,316**	1,481,629	870,611	322,928	2,675,168
Acquisition accounting adjustments	(220,728)	—	—	**(220,728)**	(217,696)	—	—	(217,696)
Investment in equity accounted investments at share	$ 322,040	$ 252,078	$ 69,625	**$ 643,743**	$ 302,206	$ 245,360	$ 102,974	$ 650,540

	Three months ended September 30, 2026				Three months ended September 30, 2025		
($ thousands)	Vital Trust	Australia	European JV	**Total**	Australia	European JV	Total
Revenue from investment properties	$ 41,630	$ 32,892	$ 5,859	**$ 80,381**	$ 29,528	$ 11,354	$ 40,882
Property operating costs	(5,724)	(3,559)	(298)	**(9,581)**	(3,136)	(1,487)	(4,623)
Interest and other income	1,020	1,671	—	**2,691**	1,638	80	1,718
General and administrative expenses	(3,715)	(2,531)	(899)	**(7,145)**	(2,199)	(1,016)	(3,215)
Finance costs	(12,889)	(17,650)	(3,491)	**(34,030)**	(14,163)	(7,044)	(21,207)
Fair value adjustment of investment properties	(1,391)	(21,631)	(222)	**(23,244)**	3,728	—	3,728
Net loss on disposals of assets	(92)	—	—	**(92)**	—	—	—
Transaction costs	(19)	—	—	**(19)**	—	—	—
Income tax expense	(2,660)	—	(222)	**(2,882)**	—	(530)	(530)
Foreign exchange gain (loss)	659	1	(48)	**612**	—	—	—
Net income (loss) and comprehensive income (loss) at 100%	$ 16,819	$ (10,807)	$ 679	**$ 6,691**	$ 15,396	$ 1,357	$ 16,753
Share of net income (loss) and comprehensive income (loss) in equity accounted investments	$ 3,994	$ (3,870)	$ 256	**$ 380**	$ 4,206	$ 460	$ 4,666

($ thousands)	Nine months ended September 30, 2026				Nine months ended September 30, 2025		
	Vital Trust	Australia	European JV	**Total**	Australia	European JV	Total
Revenue from investment properties	$ 121,771	$ 98,138	$ 25,588	**$ 245,497**	$ 90,541	$ 33,393	$ 123,934
Property operating costs	(17,610)	(13,265)	(3,319)	**(34,194)**	(11,890)	(4,762)	(16,652)
Interest and other income	2,926	5,920	124	**8,970**	5,001	245	5,246
General and administrative expenses	(10,999)	(7,441)	(2,939)	**(21,379)**	(6,593)	(2,940)	(9,533)
Finance costs	(37,377)	(47,574)	(15,249)	**(100,200)**	(43,680)	(20,473)	(64,153)
Fair value adjustment of investment properties	15,113	(48,457)	(3,536)	**(36,880)**	(39,124)	7,526	(31,598)
Net loss on disposals of assets	(625)	—	(14,048)	**(14,673)**	—	—	—
Transaction costs	(594)	—	—	**(594)**	—	—	—
Income tax expense	(16,627)	—	(20)	**(16,647)**	—	(3,353)	(3,353)
Foreign exchange gain (loss)	2,914	2	(48)	**2,868**	—	—	—
Net income (loss) and comprehensive income (loss) at 100%	$ 58,892	$ (12,677)	$ (13,447)	**$ 32,768**	$ (5,745)	$ 9,636	$ 3,891
Share of net income (loss) and comprehensive income (loss) in equity accounted investments	$ 14,031	$ (5,503)	$ (3,780)	**$ 4,748**	$ (2,625)	$ 3,197	$ 572

Transactions with Equity Accounted Investments

The REIT's share of income (loss) on a gross basis, before eliminations, includes finance costs related to loan balances outstanding between the REIT and the European JV, and management fee expenses related to management services provided by the REIT to the joint ventures.

Under a transitional services agreement entered into as part of the Vital Trust's management internalization, the REIT and Vital Trust provide certain administrative and support services to each other for a limited period. Revenue and costs related to these services are recognized on a cost-recovery basis. These transitional services do not affect the REIT's assessment of significant influence over Vital Trust.

These transactions are reflected in the REIT's condensed consolidated interim financial statements as follows:

($ thousands)	Three Months		Nine Months	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Interest income	**$ 826**	$ 1,361	**$ 3,203**	$ 3,947
Transitional services costs	**(167)**	—	**(485)**	—
Management fees	**1,063**	1,193	**3,332**	3,385
Transactions with Equity Accounted Investments	**$ 1,722**	$ 2,554	**$ 6,050**	$ 7,332

Note 7. Accounts Receivable and Other Assets

($ thousands)	Note	As at September 30, 2026	As at December 31, 2025
Restricted cash		**$ 29,863**	$ 184
Accounts receivable		**14,523**	15,414
Lease assets		**13,407**	9,053
Commodity taxes recoverable		**8,034**	6,252
Prepaid expenses		**3,861**	2,725
Prepaid acquisition costs		**1,164**	2,882
Furniture and office equipment		**900**	1,780
Mortgage receivable		**—**	3,850
Derivative financial assets	19	**—**	3,854
Other		**527**	850
Accounts receivable and other assets		**$ 72,279**	$ 46,844
Classified as:			
Current portion		**$ 58,528**	$ 32,538
Non-current portion		**13,751**	14,306
Accounts receivable and other assets		**$ 72,279**	$ 46,844

Restricted Cash

As at September 30, 2026, restricted cash included $29.6 million held to fund the settlement of income taxes payable related to the internalization of Vital Trust (Note 11).

Lease Assets

Lease assets include an $8.2 million (December 31, 2025 - $7.5 million) long-term land lease with a third party, measured using a discount rate of 7.0% with a remaining lease term of approximately 62 years. In addition, during 2026, the REIT entered into a new 10-year head office lease, resulting in the recognition of a right-of-use asset and corresponding lease liability.

Note 8. Mortgages and Term Debt

($ thousands)	As at September 30, 2026	As at December 31, 2025
Mortgages payable	**$ 181,062**	$ 598,929
Term debt	**269,830**	240,926
	450,892	839,855
Unamortized deferred financing costs	**(1,914)**	(5,303)
Mortgages and term debt, including liabilities related to assets held for sale	**448,978**	834,552
Liabilities related to assets held for sale, net of deferred financing costs	**—**	(221,065)
Mortgages and term debt	**$ 448,978**	$ 613,487
Classified as:		
Current portion	**$ 160,631**	$ 236,590
Non-current portion	**288,347**	376,897
Mortgages and term debt	**$ 448,978**	$ 613,487

Overview and Covenants

The REIT's mortgages and term debt are subject to customary financial and non-financial covenants, including requirements relating to debt service coverage, interest coverage, unitholders' equity, unencumbered property and the market price of the Vital Trust units. The classification between current and non-current reflects the REIT's assessment of covenant compliance and its ability to defer settlement for at least 12 months.

As at September 30, 2026, the REIT was in compliance with all applicable covenants and expects to remain in compliance for at least the next 12 months. Accordingly, mortgages payable and term debt with contractual maturities beyond 12 months have been classified as non-current.

Debt Composition

As at September 30, 2026, the REIT's fixed-rate mortgages payable and term debt were $296.5 million, while variable-rate mortgages and term debt were $154.4 million, with weighted average interest rates of 4.83% and 5.54%, respectively. As of September 30, 2026, none of the REIT's variable-rate debt is economically fixed or capped through interest rate derivatives (December 31, 2025 - $234.3 million).

The movements in the REIT's borrowings during the nine months ended September 30, 2026, were as follows:

($ thousands)	Note	Mortgages payable	Term debt	Total
Balance, December 31, 2025		$ 598,929	$ 240,926	**$ 839,855**
Principal amortization		(7,976)	(22,545)	**(30,521)**
Repayments		(400,964)	—	**(400,964)**
Advances		—	30,521	**30,521**
Debt settled upon sale of investment properties	4	(8,920)	—	**(8,920)**
Accretion of financial liabilities		—	3,901	**3,901**
Foreign exchange adjustment		(7)	17,027	**17,020**
		181,062	269,830	**450,892**
Unamortized deferred financing costs		(627)	(1,287)	**(1,914)**
Balance, September 30, 2026		**$ 180,435**	**$ 268,543**	**$ 448,978**

The table below summarizes the scheduled future principal amortization payments and maturities for the REIT's borrowings as at September 30, 2026:

($ thousands)	Remainder of 2026	2027	2028	2029	2030	Thereafter	Total
Amortizing principal payments							
Mortgages payable	$ 1,218	$ 4,169	$ 2,946	$ 2,056	$ 621	$ 221	**$ 11,231**
Term debt [(i)]	7,820	31,185	20,818	21,610	22,435	11,547	**115,415**
	9,038	35,354	23,764	23,666	23,056	11,768	**126,646**
Payments due at maturity							
Mortgages payable	11,875	63,947	14,320	56,200	14,199	9,290	**169,831**
Term debt	—	75,313	19,602	18,038	41,462	—	**154,415**
	11,875	139,260	33,922	74,238	55,661	9,290	**324,246**
Total	**$ 20,913**	**$ 174,614**	**$ 57,686**	**$ 97,904**	**$ 78,717**	**$ 21,058**	**$ 450,892**

(i) Principal amortization relates to borrowings secured by Brazilian investment properties that fully amortize over their contractual term.

Mortgages Payable

Scheduled principal payments and maturities for the REIT's mortgages payable as at September 30, 2026 are as follows:

($ thousands)

Maturity	Weighted average interest rate	Principal repayments	Balance due at maturity	As at September 30, 2026	As at December 31, 2025
Remainder of 2026	4.65 %	$ 1,218	$ 11,875	**$ 13,093**	$ 232,292
2027	5.83 %	4,169	63,947	**68,116**	84,429
2028	5.47 %	2,946	14,320	**17,266**	109,459
2029	5.09 %	2,056	56,200	**58,256**	129,557
2030	4.57 %	621	14,199	**14,820**	33,680
Thereafter	3.35 %	221	9,290	**9,511**	9,512
	5.24 %	**$ 11,231**	**$ 169,831**	**$ 181,062**	$ 598,929
Unamortized deferred financing costs				**(627)**	(1,807)
Balance, end of period				**$ 180,435**	$ 597,122

All mortgages are secured by first charges on specific investment properties in North America, with an estimated fair value of $0.4 billion as at September 30, 2026 (December 31, 2025 - $1.1 billion).

Term Debt

As at September 30, 2026 and December 31, 2025, the REIT's term debt balances were as follows:

($ thousands)

Security	Security amount	Maturities	Weighted average interest rate	As at September 30, 2026	As at December 31, 2025
Brazilian investment properties	$ 389,121	Nov 2027 - Jun 2031	4.18 %	**$ 115,415**	$ 122,620
Australian secured properties[(i)]	149,334	Jul 2028 - Jul 2030	6.08 %	**79,102**	73,264
Vital Trust units	285,352	Mar 2027	4.98 %	**75,313**	45,042
	$ 823,807		**4.96 %**	**$ 269,830**	$ 240,926
Unamortized deferred financing costs				**(1,287)**	(1,816)
Balance, end of period				**$ 268,543**	$ 239,110

(i) Australian secured properties debt forms part of a broader multi-lender facility secured by a cross-collateralized portfolio of assets with an aggregate value of A$309.7 million.

As at September 30, 2026, the undrawn facility capacity secured by the Vital Trust units is $67.4 million (December 31, 2025 - $105.9 million).

Note 9. Credit Facility

The REIT's revolving credit facility as at September 30, 2026 and December 31, 2025 is as follows:

($ thousands)			As at September 30, 2026			As at December 31, 2025		
Facility Type	**Maturity**	**Weighted Average Interest Rate**	**Maximum[(i)]**	**Available**	**Drawn**	Maximum	Available	Drawn
Unsecured	August 2031	4.92 %	**$ 499,610**	**$ 229,397**	**$ 270,213**	$ —	$ —	$ —
Secured	July 2027	— %	**—**	**—**	**—**	252,187	252,187	—
Unamortized deferred financing costs					**(1,382)**			—
Balance, end of period					**$ 268,831**			$ —

(i) Maximum reflects the REIT's $500.0 million committed credit facility adjusted for $0.4 million of letters of credit outstanding as at September 30, 2026.

On August 31, 2026, the REIT entered into a $500 million senior unsecured revolving credit facility maturing in August 2031, which replaced its previous secured revolving credit facility. In connection with the replacement, the REIT recognized $1.3 million of accelerated amortization of deferred financing costs on the secured facility, which is included in finance costs (Note 16). Availability under the facility is subject to the REIT's unencumbered asset pool on a proportionate basis in accordance with definitions contained in revolving credit agreement, which totalled $2.1 billion as at September 30, 2026. As at that date, the REIT was in compliance with all financial covenants under the facility.

Advances under the facility may bear interest by reference to the Canadian Overnight Repo Rate Average (for Canadian dollar borrowings), the Secured Overnight Financing Rate (for U.S. dollar borrowings) and the Euro Interbank Offered Rate (for euro borrowings), in each case plus an applicable margin.

Note 10. Debentures

($ thousands)	**As at September 30, 2026**	As at December 31, 2025
Senior unsecured debentures	**$ 497,967**	$ 497,322
Convertible debentures	**240,097**	249,309
Debentures	**$ 738,064**	$ 746,631
Classified as:		
Current	**$ 240,097**	$ 249,309
Non-current	**497,967**	497,322
Debentures	**$ 738,064**	$ 746,631

The REIT's convertible debentures are classified as current liabilities because holders may convert them into REIT units at any time.

Senior Unsecured Debentures

As at September 30, 2026, the REIT had the following senior unsecured debentures outstanding measured at amortized cost:

($ thousands)

Series	**Issuance date**	**Maturity date**	**Coupon rate**	**Interest payment dates**	**As at September 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					**(2,033)**	(2,678)
Balance, end of period					**$ 497,967**	$ 497,322

The debentures are subject to customary covenants, with which the REIT was in compliance as at September 30, 2026, and expects to remain in compliance for at least the next 12 months.

Convertible Debentures

The movements in fair value of convertible debentures were as follows:

($ thousands)		**As at September 30, 2026**		As at December 31, 2025
Balance, beginning of period	**$**	**249,309**	$	356,963
Conversion of convertible debentures to units		**—**		(10)
Repayment of convertible debentures		**—**		(124,990)
Repurchased and cancelled under the normal course issuer bid		**(4,150)**		—
Fair value adjustment of convertible debentures		**(5,062)**		17,346
Balance, end of period	**$**	**240,097**	$	249,309

During the three and nine months ended September 30, 2026, the REIT repurchased convertible debentures under its normal course issuer bid ("NCIB") for total consideration of $1.3 million and $4.2 million, respectively, of its convertible debentures under its normal course issuer bid.

The fair value of convertible debentures outstanding at the reporting date, based on closing market prices, and related contractual terms are as follows:

($ thousands)

Series	**Conversion price per Unit ($)**	**Issuance date**	**Maturity date**	**Interest rate**	**Interest payment dates**		**As at September 30, 2026**		As at December 31, 2025
VITL.DB.H	$16.00	Aug 25, 2022	Aug 31, 2027	6.25%	Feb 28 and Aug 31	**$**	**152,596**	$	158,324
VITL.DB.I	$10.55	Apr 27, 2023	Apr 30, 2028	7.75%	Apr 30 and Oct 31		**87,501**		90,985
						$	**240,097**	$	249,309

The Series H Debentures (VITL.DB.H) and Series I Debentures (VITL.DB.I) are convertible into REIT units at the option of the holder. Beginning September 1, 2025 for the Series H Debentures and May 1, 2026 for the Series I Debentures, the debentures become redeemable at the option of the REIT, in whole or in part, on not less than 30 days' prior notice. For the Series H Debentures, the redemption price is equal to par plus accrued and unpaid interest, provided that the 20-day volume-weighted average trading price of the REIT's units on the Toronto Stock Exchange preceding the date of the redemption notice is not less than 125% of the conversion price. For the Series I Debentures, the market price of the REIT's units on the date of the redemption notice must be not less than 125% of the applicable conversion price. Thereafter, beginning September 1, 2026, for the Series H Debentures, and May 1, 2027, for the Series I Debentures, the debentures are redeemable at par plus accrued and unpaid interest, on not less than 30 days' prior notice.

On October 26, 2026, the REIT redeemed all outstanding Series H Debentures at par plus accrued and unpaid interest. Refer to Note 23. Subsequent Events.

Note 11. Accounts Payable and Other Liabilities

($ thousands)	Note	As at September 30, 2026	As at December 31, 2025
Income taxes payable		**$ 47,341**	$ 3,732
Accrued property costs		**37,194**	25,272
Unit-based compensation liabilities		**18,310**	12,699
Lease liabilities	7	**14,326**	10,300
Deferred revenue and tenant deposits		**11,983**	15,661
Accrued interest		**7,855**	15,969
Distributions payable		**7,500**	7,499
Accrued professional fees		**6,433**	5,416
Accrued employee costs		**6,243**	9,004
Commodity taxes payable		**3,874**	3,331
Accounts payable		**3,426**	8,497
Derivative financial instruments	19	**—**	237
Other accounts payable and accrued liabilities		**638**	3,104
		$ 165,123	$ 120,721
Classified as:			
Current portion		**$ 134,257**	$ 91,182
Non-current portion		**30,866**	29,539
Accounts payable and other liabilities		**$ 165,123**	$ 120,721

Income taxes payable

Income taxes payable as at September 30, 2026 includes $12.9 million related to the 2026 disposition of the wholly-owned German properties (Note 4) and $29.6 million related to the 2025 Vital Trust internalization which was originally recorded in 2025 as a deferred tax liability on the proceeds the REIT received from the transaction. The REIT reclassified this amount to income taxes payable during the three months ended September 30, 2026, as management expects to settle it within the next twelve months. The reclassification reflects only the timing of settlement and had no net impact on income tax expense and did not affect the proceeds received. Refer to Note 7 for the related restricted cash.

Note 12. Unitholders' Equity

The REIT has two classes of units: (i) Trust units; and (ii) special voting units. As at September 30, 2026, no special voting units were outstanding.

The REIT is authorized to issue an unlimited number of Trust Units and special voting units, both without par value. Each Trust Unit represents one vote at meetings of unitholders and entitles the holder to a pro rata share of distributions declared by the REIT. Trust Units are redeemable at the option of the holder, with the redemption price determined in accordance with the REIT's Declaration of Trust.

The following table summarizes changes in Trust Units during the nine months ended September 30, 2026 and 2025:

		As at September 30, 2026		As at September 30, 2025	
($ thousands except where otherwise indicated)	Note	Trust Units	Amount	Trust Units	Amount
Units, beginning of period		**249,992,670**	**$ 2,557,624**	247,784,245	$ 2,547,239
Units issued through distribution reinvestment plan		**—**	**—**	2,079,203	9,744
Units issued on conversion of convertible debentures	10	**—**	**—**	1,379	10
Units issued on exercise of unit-based compensation		**25,859**	**145**	127,843	631
Units, end of period		**250,018,529**	**$ 2,557,769**	249,992,670	$ 2,557,624

Note 13. Revenue from Investment Properties

($ thousands)	Three Months		Nine Months	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Rental income including straight-line rental revenue	**$ 45,278**	$ 80,965	**$ 143,028**	$ 238,979
Operating cost recoveries	**10,624**	15,725	**33,243**	44,387
Property tax and insurance recoveries	**3,221**	5,697	**18,702**	25,864
Other revenue	**2,091**	1,899	**6,398**	5,707
Revenue from investment properties	**$ 61,214**	$ 104,286	**$ 201,371**	$ 314,937

Note 14. Property Operating Costs

($ thousands)	Three Months		Nine Months	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Recoverable operating costs	**$ 9,235**	$ 16,134	**$ 31,643**	$ 47,799
Property taxes and insurance	**4,128**	6,231	**19,854**	26,461
Non-recoverable operating costs	**2,723**	2,753	**8,454**	8,053
Property operating costs	**$ 16,086**	$ 25,118	**$ 59,951**	$ 82,313

Note 15. Interest and Other Income

($ thousands)	Note	Three Months		Nine Months	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Interest income from related parties	6	**$ 826**	$ 1,361	**$ 3,203**	$ 3,947
Interest income from mortgage receivable		**22**	272	**118**	811
Distribution income		**—**	—	**—**	3,733
Other interest income		**493**	753	**1,525**	2,624
Interest and other income		**$ 1,341**	$ 2,386	**$ 4,846**	$ 11,115

Note 16. Finance Costs

Finance costs consist of interest on borrowings and amortization of deferred financing costs, both determined under the effective interest method, along with other financing costs.

($ thousands)	Three Months		Nine Months	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Interest expense	**$ 19,036**	$ 35,808	**$ 58,935**	$ 112,324
Amortization of financing costs	**2,084**	1,380	**4,613**	7,525
	21,120	37,188	**63,548**	119,849
Less: Capitalized interest	**(250)**	(4,686)	**(684)**	(15,337)
Finance costs	**$ 20,870**	$ 32,502	**$ 62,864**	$ 104,512

Note 17. General and Administrative Expenses

	Three Months		Nine Months	
($ thousands)	**September 30, 2026**	September 30, 2025	**September 30, 2026**	September 30, 2025
Salaries, benefits and other employee costs[(i)]	**$ 6,251**	$ 9,581	**$ 20,772**	$ 30,992
Unit-based compensation expense	**2,281**	2,118	**8,938**	5,709
Professional fees and corporate costs	**1,615**	2,282	**5,591**	7,077
Employee termination benefits and associated costs	**(65)**	2,078	**2,692**	3,693
Information technology costs	**709**	1,126	**2,473**	3,984
Office related costs	**595**	915	**2,129**	2,906
Management fee expense	**603**	199	**1,878**	640
Investor relations and public company costs	**362**	905	**1,364**	2,465
Other	**545**	840	**1,933**	2,462
	12,896	20,044	**47,770**	59,928
Less: Capitalized to development properties	**(275)**	(724)	**(1,299)**	(3,888)
Less: Allocated to property operating expenses	**(1,790)**	(3,102)	**(6,016)**	(10,083)
General and administrative expenses	**$ 10,831**	$ 16,218	**$ 40,455**	$ 45,957

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

Note 18. Transaction Costs

For the three and nine months ended September 30, 2026, the REIT incurred transaction costs of $1.1 million and $6.5 million, respectively (three and nine months ended September 30, 2025 - $3.2 million and $15.0 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. These amounts vary based on transaction activity.

Note 19. Financial Instruments

The REIT's financial instruments are measured and presented in accordance with the policies described in Note 2 of the annual consolidated financial statements. Certain instruments are carried at fair value, while others are measured at amortized cost with fair value disclosed when relevant. Fair values reflect market conditions at the reporting date.

Fair value hierarchy

Fair value measurements are categorized within a three-level hierarchy based on the lowest-level input that is significant to the valuation. The following table summarizes the REIT's financial instruments measured at fair value, as well as those measured at amortized cost for which fair value is disclosed:

		As at September 30, 2026				As at December 31, 2025			
	Note	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	Carrying value	Level 1	Level 2	Level 3
Financial Assets									
Fair value through profit and loss:									
Derivative financial instruments	7	**$ —**	**$ —**	**$ —**	**$ —**	$ 3,854	$ —	$ 3,854	$ —
Amortized cost:									
Mortgage receivable	7	**—**	**—**	**—**	**—**	3,850	—	—	3,850
Cash and cash equivalents		**50,120**	**50,120**	**—**	**—**	94,081	94,081	—	—
Financial Liabilities									
Fair value through profit and loss:									
Derivative financial instruments	11	**—**	**—**	**—**	**—**	237	—	237	—
Convertible debentures	10	**240,097**	**240,097**	**—**	**—**	249,309	249,309	—	—
Unit-based compensation liabilities	11	**18,310**	**—**	**10,236**	**8,074**	12,699	—	7,881	4,818
Amortized cost:									
Mortgages and term debt	8	**448,978**	**—**	**448,569**	**—**	613,487	—	616,573	—
Credit facility	9	**268,831**	**—**	**270,213**	**—**	—	—	—	—
Senior unsecured debentures	10	**497,967**	**506,795**	**—**	**—**	497,322	511,970	—	—

Valuation techniques

Valuation methodologies are consistent with those described in the annual consolidated financial statements. Observable market data is used where available. There were no transfers between levels of the fair value hierarchy during the period.

Derivative financial instruments

The REIT used derivative financial instruments to manage exposure to interest rate risk associated with its variable-rate debt. As hedge accounting is not applied, these instruments were measured at fair value through profit or loss. During the second quarter of 2026, the REIT settled its derivative financial instruments, which were associated with mortgages on the disposed European portfolio properties. As at September 30, 2026, the REIT had no derivative instruments outstanding, and there was no derivative activity during the three months then ended.

The REIT recorded no fair value gains or losses on financial instruments during the three months ended September 30, 2026 (2025 - $4.2 million gain). During the nine months ended September 30, 2026, the REIT recorded fair value losses of $0.6 million on financial instruments (2025 - $24.7 million gain). The prior-year amounts reflected fair value changes on interest rate derivatives and gains on the REIT's investments in Assura and other securities, which were sold and redeemed in the first half of 2025 and are no longer held.

Note 20. Supplemental Cash Flow Information

Changes in non-cash working capital

($ thousands)	Three Months		Nine Months	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Accounts receivable	**$ (2,331)**	$ 6,527	**$ (4,323)**	$ 11,907
Other assets	**3,431**	(281)	**2,685**	(1,001)
Accounts payable and accrued liabilities	**(9,723)**	(5,908)	**2,302**	4,199
Changes in non-cash working capital	**$ (8,623)**	$ 338	**$ 664**	$ 15,105

Items not affecting cash and other items

($ thousands)	Note	Three Months		Nine Months	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Amortization of other assets		**$ 401**	$ 586	**$ 1,221**	$ 1,704
Unrealized foreign exchange gain		**(262)**	2,827	**298**	(4,588)
Unit-based compensation expense	17	**2,281**	2,118	**8,938**	5,709
Fair value adjustment of convertible debentures	10	**(2,206)**	6,850	**(5,062)**	17,541
Fair value adjustment of financial instruments	19	**—**	(4,248)	**572**	(24,670)
Fair value adjustment of investment properties	4, 5	**(7,093)**	(8,781)	**9,517**	23,947
Fair value adjustment of unit-based compensation liabilities		**(507)**	380	**(74)**	1,262
Items not affecting cash and other items		**$ (7,386)**	$ (268)	**$ 15,410**	$ 20,905

Non-cash financing and investing activities

($ thousands)	Note	Three Months		Nine Months	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Non-cash distributions to unitholders under the DRIP	12	**$ —**	$ 3,536	**$ —**	$ 9,744
Non-cash conversion of convertible debentures	12	**—**	—	**—**	10
Units issued under unit-based compensation plan	12	**—**	—	**145**	631
Non-cash financing and investing activities		**$ —**	$ 3,536	**$ 145**	$ 10,385

Note 21. Segmented Information

The REIT operates within a single industry segment, the healthcare real estate sector, but manages its operations across four geographic regions: North America, Brazil, Europe, and Australasia. The Chief Executive Officer evaluates the performance of each operating segment based on operating income (loss). The "Other" category primarily consists of corporate functions that do not generate revenue and are not considered reportable operating segments. The accounting policies applied to each segment are consistent with those applied by the REIT as a whole.

During the three and nine months ended September 30, 2026, a single tenant in Brazil accounted for approximately 25% and 23% of total revenue from investment properties on a consolidated basis (three and nine months ended September 30, 2025 - 14%).

($ thousands)	**North America**	**Brazil**	**Europe**	**Australasia**	**Other**	**As at September 30, 2026**
Investment properties	**$1,562,248**	**$ 755,400**	**$ 154,466**	**$ 144,924**	**$ —**	**$ 2,617,038**
Equity accounted investments	**—**	**—**	**69,625**	**574,118**	**—**	**643,743**
Mortgages and term debt	**180,435**	**114,505**	**—**	**78,861**	**75,177**	**448,978**
Credit facility	**—**	**—**	**—**	**—**	**268,831**	**268,831**

($ thousands)	North America	Brazil	Europe	Australasia	Other	As at December 31, 2025
Investment properties	$ 1,313,154	$ 668,650	$ 154,313	$ 134,872	$ —	$ 2,270,989
Equity accounted investments	—	—	102,974	547,566	—	650,540
Mortgages and term debt	280,616	121,456	95,441	72,977	42,997	613,487

($ thousands)	**North America**	**Brazil**	**Europe**	**Australasia**	**Other**	**Three months ended September 30, 2026**
Net property operating income						
Revenue from investment properties	$ 38,901	$ 16,236	$ 3,565	$ 2,512	$ —	**$ 61,214**
Property operating costs	(14,941)	—	(942)	(203)	—	**(16,086)**
	23,960	16,236	2,623	2,309	—	**45,128**
Other income (expenses)						
Interest and other income	36	159	52	232	862	**1,341**
Management fees	19	—	438	3,108	—	**3,565**
Share of income (loss) from equity accounted investments	—	—	256	124	—	**380**
Finance costs	(2,484)	(1,384)	—	(1,311)	(15,691)	**(20,870)**
General and administrative expenses	(2,057)	(625)	(220)	(2,440)	(5,489)	**(10,831)**
Transaction costs	—	—	(214)	14	(909)	**(1,109)**
Foreign exchange gain (loss)	1	69	(2)	559	(486)	**141**
Operating income (loss)	**19,475**	**14,455**	**2,933**	**2,595**	**(21,713)**	**17,745**
Accretion of financial liabilities						**(762)**
Fair value adjustment of convertible debentures						**2,206**
Fair value adjustment of investment properties						**7,093**
Net loss on disposals of assets						**(198)**
Fair value adjustment of unit-based compensation liabilities						**507**
Income tax (expense) recovery						**(4,697)**
Net income						**$ 21,894**

($ thousands)	North America	Brazil	Europe	Australasia	Other	Three months ended September 30, 2025
Net property operating income						
Revenue from investment properties	$ 36,315	$ 14,460	$ 13,352	$ 40,159	$ —	$ 104,286
Property operating costs	(14,827)	—	(4,577)	(5,714)	—	(25,118)
	21,488	14,460	8,775	34,445	—	79,168
Other income (expenses)						
Interest and other income	75	274	65	604	1,368	2,386
Management fees	20	—	803	3,193	—	4,016
Share of income (loss) from equity accounted investments	—	—	460	4,206	—	4,666
Finance costs	(3,619)	(1,587)	(2,289)	(11,447)	(13,560)	(32,502)
General and administrative expenses	(2,314)	(562)	(2,176)	(4,241)	(6,925)	(16,218)
Transaction costs	—	—	(1,237)	(105)	(1,859)	(3,201)
Foreign exchange gain (loss)	37	3	(595)	(4,742)	2,659	(2,638)
Operating income (loss)	15,687	12,588	3,806	21,913	(18,317)	35,677
Accretion of financial liabilities						(970)
Fair value adjustment of convertible debentures						(6,850)
Fair value adjustment of financial instruments						4,248
Fair value adjustment of investment properties						8,781
Net loss on disposals of assets						(311)
Fair value adjustment of unit-based compensation liabilities						(380)
Income tax (expense) recovery						(9,028)
Net income						$ 31,167

($ thousands)	North America	Brazil	Europe	Australasia	Other	Nine months ended September 30, 2026
Net property operating income						
Revenue from investment properties	$ 114,878	$ 49,816	$ 29,083	$ 7,594	$ —	**$ 201,371**
Property operating costs	(49,108)	(1,784)	(8,674)	(385)	—	**(59,951)**
	65,770	48,032	20,409	7,209	—	**141,420**
Other income (expenses)						
Interest and other income	174	464	189	733	3,286	**4,846**
Management fees	57	—	1,812	9,295	—	**11,164**
Share of income (loss) from equity accounted investments	—	—	(3,780)	8,528	—	**4,748**
Finance costs	(8,379)	(4,237)	(5,129)	(3,679)	(41,440)	**(62,864)**
General and administrative expenses	(4,859)	(1,844)	(7,055)	(7,715)	(18,982)	**(40,455)**
Transaction costs	—	—	(4,220)	(67)	(2,182)	**(6,469)**
Foreign exchange gain (loss)	67	225	(487)	1,988	(2,264)	**(471)**
Operating income (loss)	**52,830**	**42,640**	**1,739**	**16,292**	**(61,582)**	**51,919**
Accretion of financial liabilities						**(3,901)**
Fair value adjustment of convertible debentures						**5,062**
Fair value adjustment of financial instruments						**(572)**
Fair value adjustment of investment properties						**(9,517)**
Net loss on disposals of assets						**(11,099)**
Fair value adjustment of unit-based compensation liabilities						**74**
Income tax expense						**(13,638)**
Net income						**$ 18,328**

($ thousands)	North America	Brazil	Europe	Australasia	Other	Nine months ended September 30, 2025
Net property operating income						
Revenue from investment properties	$ 114,624	$ 43,961	$ 38,214	$ 118,138	$ —	$ 314,937
Property operating costs	(50,117)	(1,598)	(12,809)	(17,789)	—	(82,313)
	64,507	42,363	25,405	100,349	—	232,624
Other income (expenses)						
Interest and other income	252	1,018	3,956	1,777	4,112	11,115
Management fees	61	—	2,302	9,016	—	11,379
Share of income (loss) from equity accounted investments	—	—	3,197	(2,625)	—	572
Finance costs	(14,601)	(4,682)	(9,750)	(32,567)	(42,912)	(104,512)
General and administrative expenses	(5,764)	(1,785)	(6,809)	(13,638)	(17,961)	(45,957)
Transaction costs	(98)	(258)	(3,860)	(600)	(10,207)	(15,023)
Foreign exchange gain (loss)	413	(11)	7,170	(2,374)	(543)	4,655
Operating income (loss)	44,770	36,645	21,611	59,338	(67,511)	94,853
Accretion of financial liabilities						(4,786)
Fair value adjustment of convertible debentures						(17,541)
Fair value adjustment of financial instruments						24,670
Fair value adjustment of investment properties						(23,947)
Net loss on disposals of assets						(5,089)
Fair value adjustment of unit-based compensation liabilities						(1,262)
Income tax expense						(18,640)
Net income						$ 48,258

Note 22. Commitments and Contingent Liabilities

Property commitments
The REIT has entered into acquisition and construction agreements related to certain development properties, with total committed costs of $138.0 million as at September 30, 2026 (December 31, 2025 - $140.9 million). Of this amount, approximately $112.0 million relates to acquisition agreements for a development project in North America. The REIT expects these projects to be completed between 2026 and 2029.

Landlord work commitments
Pursuant to a lease renewal during the year ended December 31, 2024, the REIT has entered into an agreement to reimburse the tenant of a Brazilian property for up to $7.2 million of landlord work. The REIT expects to fund these reimbursements between November 2026 and December 2027.

Guarantees
The REIT provides guarantees to subsidiaries, including consolidated and equity-accounted entities, which are not expected to have a material impact on the condensed consolidated interim financial statements.

In connection with the 2023 disposition of an Australasian investment property, the REIT entered into agreements to provide rental guarantees of up to $0.5 million, expiring in 2028. These guarantees would become effective if the sub-lease is terminated due to default by the sub-landlord. No such event has occurred or is expected and, accordingly, no provision has been recognized.

Indemnities
In connection with the sale and contribution of European investment properties to the European joint venture in 2020, the REIT indemnified its joint venture partner for potential tax liabilities relating to those properties. As the eventual disposition of the properties depends on uncertain future events not within the REIT’s control, and the taxable outcome cannot be reliably estimated, no provision has been recognized.

In connection with the disposition of the European portfolio completed during the three months ended June 30, 2026, the REIT provided certain customary indemnities to the purchaser. These indemnities remain in effect for up to seven years from the completion date. As the likelihood and amount of any future claims depend on uncertain future events and no present obligation exists at the reporting date, no provision has been recognized.

As part of the formation of a joint venture in 2020, the REIT disposed of its 70% interest in AREIT units and indemnified its joint venture partner for potential tax liabilities relating to AREIT’s investment properties contributed to the joint venture. This indemnity expires if the properties are not sold within 15 years of settlement. For the same reasons, no provision has been recognized.

The REIT also indemnifies trustees, directors, and officers of the REIT and its subsidiaries, to the extent permitted by law, against damages, liabilities, costs and expenses incurred in connection with their service. Such indemnities are subject to statutory and other legal limitation periods. Due to the nature of these agreements, the maximum potential amount payable cannot be reasonably estimated. Accordingly, no provision has been recognized.

Legal proceedings
The REIT is subject to legal and other claims in the normal course of business. Management, together with the REIT's legal counsel evaluate all claims. In the opinion of management, these claims are generally covered by the REIT's insurance policies, and any liability from such claims would not have a material impact on the REIT's condensed consolidated interim financial statements. Accordingly, no provision has been recognized.

Uncertain tax positions
The REIT operates in multiple foreign jurisdictions where local tax rules and interpretations may be complex. The REIT and its subsidiaries are subject to ongoing reviews by tax authorities in these jurisdictions. Management evaluates these matters in accordance with IFRIC 23 and does not expect any unresolved matters to have a material impact on the condensed consolidated interim financial statements.

Other commitments
As at September 30, 2026, the REIT has no material non-cancellable lease commitments for which the related lease has not yet commenced and has no significant environmental remediation obligations.

Note 23. Subsequent Events

1. On September 15, 2026, the REIT announced a distribution of $0.03 per unit to unitholders of record on September 30, 2026 and was paid on October 15, 2026.

2. On October 15, 2026, the REIT announced a distribution of $0.03 per unit to unitholders of record on October 30, 2026.

3. On October 13, 2026, the REIT issued $300.0 million aggregate principal amount of 4.865% Series C senior unsecured debentures, maturing on October 15, 2029. On October 26, 2026, the REIT redeemed all of its outstanding 6.25% Series H convertible debentures due August 31, 2027 using proceeds from the offering.

4. On November 11, 2026, the REIT announced the TSX had approved its intention to implement a normal course issuer bid to repurchase up to $8.5 million of Series I convertible debentures and 21.9 million trust units (approximately 10% of the public float of each) from November 16, 2026 to November 15, 2027, or earlier if completed or terminated.