



Consolidated Financial Statements
December 31, 2025 and 2024
(expressed in Canadian dollars)

April 9, 2026

Management's Report

The accompanying consolidated financial statements of NexLiving Communities Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's consolidated financial statements and recommended their approval by the Board of Directors.

PricewaterhouseCoopers LLP, appointed as the Company's auditor by the shareholders, have examined these consolidated financial statements and their report follows.

(signed) "*Stavro Stathonikos*"
Chief Executive Officer
Toronto, Ontario

(signed) "*Ahmed Shethwala*"
Chief Financial Officer
Toronto, Ontario



Independent auditor's report

To the Shareholders of NexLiving Communities Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NexLiving Communities Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of income and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Fair values of investment properties using the capitalized net operating income method</p> <p><i>Refer to note 3 – Material accounting policy information and note 7 – Investment properties to the consolidated financial statements.</i></p> <p>The Company's investment properties as at December 31, 2025 were \$450,132,000. Investment properties are measured initially at cost, including transaction costs and subsequently measured at fair value.</p> <p>The fair value of investment properties as at December 31, 2025, except for one property, was determined using the capitalized net operating income method, with the 12-month forward net operating income divided by a market capitalization rate. The 12-month forward net operating income is based on the Company's operating budget and stabilized for any non-recurring expenses. Management uses the assistance of independent appraisers and external market and industry data to determine an appropriate market capitalization rate for individual properties as at period-ends.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested how management determined the fair values of its investment properties using the capitalized net operating income method as at December 31, 2025, which included the following:<ul style="list-style-type: none">– Evaluated the appropriateness of the capitalized net operating income method used.– Tested the underlying data.– Evaluated the reasonableness of key assumptions such as forecasted rental income and vacancies and forecasted property operating expenses by comparing them to current and historical leasing activity and results and/or external market and industry data, as applicable.

Key audit matter	How our audit addressed the key audit matter
<p>The capitalized net operating income method requires certain key assumptions and estimates to be made by management, including forecasted rental income and vacancies, forecasted property operating expenses and capitalization rates.</p> <p>We considered this a key audit matter due to (i) the significance of the investment properties balance; (ii) the significant judgments made by management in determining the fair values of the investment properties using the capitalized net operating income method; and (iii) the high degree of complexity in assessing audit evidence related to key assumptions and estimates made by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.</p>	<ul style="list-style-type: none"> <li data-bbox="883 283 1503 443">– Professionals with specialized skill and knowledge in the field of real estate valuations assisted us in assessing the reasonableness of the capitalization rates on a sample basis. <li data-bbox="883 474 1503 634">– Tested the disclosures made in the consolidated financial statements related to the fair values of investment properties using the capitalized net operating income method.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Maxime Lessard.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Halifax, Nova Scotia

April 9, 2026

NexLiving Communities Inc.
Consolidated Statements of Financial Position
As at December 31, 2025 and 2024

(expressed in Canadian dollars)

	2025 \$	2024 \$
Assets		
Current assets		
Cash	3,390,027	8,498,774
Accounts receivable	464,363	322,532
Deposits and prepaids (note 5)	5,947,024	1,029,855
	<u>9,801,414</u>	<u>9,851,161</u>
Investment in joint venture (note 6)	2,060,941	–
Investment properties (note 7)	450,132,000	446,965,000
	<u>461,994,355</u>	<u>456,816,161</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	4,190,046	6,163,490
Current portion of mortgages payable (note 9)	53,604,233	22,799,170
	<u>57,794,279</u>	<u>28,962,660</u>
Mortgages payable (note 9)	259,063,232	288,228,014
Deferred income taxes (note 11)	6,000,000	3,400,000
	<u>322,857,511</u>	<u>320,590,674</u>
Equity (note 10)	139,136,844	136,225,487
	<u>461,994,355</u>	<u>456,816,161</u>
Subsequent events (note 16)		

The accompanying notes are an integral part of these consolidated financial statements.

NexLiving Communities Inc.

Consolidated Statements of Income and Comprehensive Income

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars)

	2025 \$	2024 \$
Revenue		
Rental income	34,555,237	24,034,078
Property operating expenses		
Operating expenses	(13,872,141)	(9,769,425)
Net property operating income	20,683,096	14,264,653
Expenses		
Administrative expenses	(2,273,772)	(1,760,571)
Stock-based compensation (note 10)	(480,900)	(454,200)
	(2,754,672)	(2,214,771)
Finance costs		
Interest expense	(10,030,925)	(7,706,445)
Amortization of finance costs (note 9)	(532,750)	(598,629)
Accretion expense (note 9)	(1,411,801)	(461,600)
	(11,975,476)	(8,766,674)
Other income		
Fair value adjustments to investment properties (note 7)	795,178	12,337,616
Gain on sale of investment properties (note 7)	78,032	115,199
Income from equity-accounted investment (note 6)	130,170	–
Interest income	42,033	177,211
	1,045,413	12,630,026
Net income before income taxes	6,998,361	15,913,234
Provision for income tax expense (note 11)	(2,655,000)	(2,500,000)
Net income and comprehensive income	4,343,361	13,413,234
Net income per share – basic (note 13)	0.13	0.60
Net income per share – diluted (note 13)	0.13	0.60

The accompanying notes are an integral part of these consolidated financial statements.

NexLiving Communities Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars)

	Number of shares	Share capital \$	Contributed surplus \$	Retained earnings \$	Total \$
Balance – December 31, 2024	32,877,782	112,633,148	5,175,921	18,416,418	136,225,487
Net income and comprehensive income for the year	–	–	–	4,343,361	4,343,361
Shares issued pursuant to redemption of DSUs (note 10)	14,534	35,858	(49,400)	–	(13,542)
Repurchase of common shares (note 10)	(306,800)	(1,050,217)	459,543	–	(590,674)
Dividends paid	–	–	–	(1,308,688)	(1,308,688)
Stock-based compensation (note 10)	–	–	480,900	–	480,900
Balance – December 31, 2025	32,585,516	111,618,789	6,066,964	21,451,091	139,136,844

The accompanying notes are an integral part of these consolidated financial statements.

NexLiving Communities Inc.

Consolidated Statements of Changes in Equity (continued)

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars)

	Number of shares	Share capital \$	Contributed surplus \$	Retained earnings \$	Total \$
Balance – December 31, 2023	16,464,483	63,567,867	5,076,172	5,989,403	74,633,442
Net income and comprehensive income for the year	—	—	—	13,413,234	13,413,234
Shares issued pursuant to acquisitions, net of issue costs (notes 7 and 10)	16,333,682	48,865,429	—	—	48,865,429
Shares issued pursuant to redemption of DSUs (note 10)	113,317	318,667	(406,400)	—	(87,733)
Repurchase of common shares (note 10)	(33,700)	(118,815)	51,949	—	(66,866)
Dividends paid	—	—	—	(986,219)	(986,219)
Stock-based compensation (note 10)	—	—	454,200	—	454,200
Balance – December 31, 2024	32,877,782	112,633,148	5,175,921	18,416,418	136,225,487

The accompanying notes are an integral part of these consolidated financial statements.

NexLiving Communities Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars)

	2025 \$	2024 \$
Cash provided by (used in)		
Operating activities		
Net income and comprehensive income for the years	4,343,361	13,413,234
Charges to income not affecting cash		
Interest expense	10,030,925	7,706,445
Stock-based compensation expense	480,900	454,200
Change in fair value of investment properties (note 7)	(795,178)	(12,337,616)
Amortization expense	532,750	598,629
Accretion expense	1,411,801	461,600
Share of profit from joint venture	(130,170)	—
Gain on sale of investment properties	(78,032)	(115,199)
Deferred income tax expense	2,655,000	2,500,000
	18,451,357	12,681,293
Net changes in non-cash working capital balances related to operations		
Accounts receivable	(141,830)	(142,191)
Deposits and prepaids	(175,801)	58,500
Accounts payable and accrued liabilities	(346,183)	546,108
	17,787,543	13,143,710
Financing activities		
Repurchase of shares for cancellation	(590,674)	(66,865)
Interest paid	(9,370,674)	(7,338,291)
Repayment of capital expenditure facility	(237,761)	—
Proceeds from mortgage financing, net of deferred financing costs (note 9)	25,625,704	35,906,815
Repayments of mortgage principal (note 9)	(25,692,214)	(38,052,906)
Payment of dividends	(1,308,688)	(986,219)
	(11,574,307)	(10,537,466)
Investing activities		
Investment in joint venture (note 6)	(1,930,771)	—
Deposits paid for acquisition of investment property (note 5)	(4,741,368)	—
Transaction costs paid (notes 7 and 8)	(3,885,906)	—
Acquisition of investment properties, net of mortgages assumed (note 7)	—	(4,497,235)
Additions to investment properties (note 7)	(2,683,734)	(1,970,864)
Net proceeds from sale of investment properties (note 7)	1,919,796	7,020,153
	(11,321,983)	552,054
Change in cash during the year	(5,108,747)	3,158,298
Cash – Beginning of year	8,498,774	5,340,476
Cash – End of year	3,390,027	8,498,774

The accompanying notes are an integral part of these consolidated financial statements.

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

1 Nature of operations

NexLiving Communities Inc. (the Company) was incorporated under the Canada Business Corporations Act on August 9, 2011. Its registered office is located at 45 Alderney Drive, Dartmouth, Nova Scotia, B2Y 2N6, Canada. The Company's business is the ownership and management of multi-unit residential real estate with a focus on low-and mid-rise properties in bedroom communities in Canada. The common shares of the Company are listed on the TSX Venture Exchange (TSXV or the Exchange) under the symbol NXLV.

2 Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The Board of Directors approved the consolidated financial statements for issue on April 9, 2026.

3 Material accounting policy information

Basis of consolidation

The consolidated financial statements of the Company consolidate the accounts of the Company and all subsidiaries. Inter-group transactions and balances are eliminated in preparing the consolidated financial statements.

The Company consolidates entities that it controls. Control is assessed based on the Company's power over the relevant activities of the entity, its exposure to variable returns, and its ability to use that power to affect those returns. In making this assessment, the Company considers all relevant facts and circumstances, including the existence of contractual arrangements such as convertible instruments, options, or other rights that provide the Company with the current ability to direct the relevant activities of the entity and exposure to substantially all of the entity's variable returns. The Company's interest in the voting share capital of its subsidiaries is 100%, except for one single purpose entity used as a vehicle for the acquisition of 108 townhouses under construction (note 5), which the Company controls through the ability to exercise a convertible debenture it holds.

Property acquisitions

Where property is acquired, management considers the substance of the agreement in determining whether the acquisition represents the acquisition of property or a business combination.

Where such acquisitions are not judged to be a business combination, they are treated as asset acquisitions. The cost to acquire the property, including transaction costs, is allocated between the identifiable assets acquired and liabilities assumed based on the relative fair values at the acquisition date. Otherwise, acquisitions are accounted for as a business combination.

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

3 Material accounting policy information (continued)

Investment properties

Investment properties are comprised of properties held to earn rental revenue or for capital appreciation or both but not for the sale in the normal course of business. Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes and professional fees for legal services.

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value of investment properties are included in profit or loss in the period in which they arise.

Subsequent expenditures are capitalized to the investment property's carrying value only when it is probable that future economic benefits associated with the expenditures will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of income and comprehensive income in the year of retirement or disposal.

Investment in associates

On May 1, 2025, the Company entered into a joint venture arrangement. A joint venture is an entity over which the Company shares joint control with other parties and where the joint venture parties have rights to the net assets of the joint venture. Joint control exists where there is a contractual agreement for shared control and wherein decisions about the significant relevant activities of the arrangement require unanimous consent of the parties sharing control.

Investment in joint venture is accounted for using the equity method. Under the equity method, the investment is initially recorded at cost, which includes costs directly attributable to the acquisition. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date.

Revenue recognition

The Company enters as a lessor into lease agreements that fall within the scope of IFRS 16, Leases, which are classified as operating leases. The Company's revenues are earned from lease contracts with tenants, and the Company recognizes contractual revenue from lease contracts on a straight-line basis over the lease term.

Cash

Cash includes cash held with banks. Interest income earned on the Company's cash is included in other income.

Share options, deferred share units (DSUs)

The Company has a share option plan and a deferred share unit plan available for officers and employees (note 10).

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

3 Material accounting policy information (continued)

The fair value of share options granted is estimated on the date of grant using the Black-Scholes option pricing model and is recorded as an expense over the applicable vesting period based on the number of awards expected to vest. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. On the exercise of share options, the consideration received, and the grant date fair value of the option is credited to share capital. Issuances of share options related to private placements or public offerings of shares are treated as share issue costs.

The fair value of DSUs granted is estimated on the date of grant using the prior day closing price on the TSXV. Compensation expense for DSUs is recognized over the vesting period.

Pursuant to the terms of the share option and DSU plans, the share options and DSUs awarded can only be equity settled.

Transaction costs related to the issuance of the shares are recognized directly in shareholders' equity as a reduction of the proceeds received.

Income or loss per share

The calculations of income or loss per share and diluted income or loss per share are based on the weighted average number of common shares outstanding during the year. Diluted income or loss per share is determined by adjusting the weighted average number of common shares for the dilutive effect, if any, of share options, warrants and DSUs using the treasury stock method. Under this method, share options whose exercise price is less than the average market price of the Company's common shares are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the year. The incremental number of common shares issued on the assumed exercise and repurchased from proceeds is included in the calculation of diluted income or loss.

Income taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

- Current income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Canada, where the Company and its subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

3 Material accounting policy information (continued)

- Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Financial instruments

- Financial assets and liabilities

Initial measurement and classification

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or if it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Subsequent measurement

- Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

- Financial liabilities at amortized cost

These financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

3 Material accounting policy information (continued)

The Company's financial instruments include cash, deposits, accounts receivable, accounts payable and accrued liabilities and mortgages payable, all of which are subsequently measured at amortized cost.

- Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 – inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

- Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to the lifetime ECLs in accordance with the simplified approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

The Company assumes that the credit risk on financial assets has increased if it is more than 30 days past due. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

NexLiving Communities Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

3 Material accounting policy information (continued)

Critical accounting judgments and estimates

Judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and equity components are reviewed on an ongoing basis. Actual results may differ from these estimates. Management has made the following critical judgments, estimates and assumptions, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- Asset acquisitions

At the time of acquisition of real estate properties, the Company considers whether or not the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property and when it does not meet the optional concentration test in IFRS 3, Business Combinations. When the acquisition of a property does not represent a business, it is accounted for as an asset acquisition. The cost of the acquisition, including transaction costs, is allocated to the assets and liabilities acquired based on their relative fair values, and no goodwill or deferred tax is recognized.

The acquisition of each of the Company's investment properties to date was determined to be an asset acquisition.

- Consolidation of single-purpose entity

The Company has determined that it controls a single-purpose entity (SPE) whose common equity is wholly owned by a related party, Devcore Group Inc., notwithstanding that the Company does not hold a direct equity interest in the SPE. This conclusion required significant judgment in assessing whether the Company's contractual rights provide it with power over the SPE's relevant activities, and whether the Company is exposed to substantially all of the SPE's variable returns. In making this determination, the Company considered that it is exposed to substantially all of the economic risks and rewards associated with the underlying properties and has the current ability to direct relevant activities through its right to convert its convertible debenture in common equity. Had the Company concluded that it does not control the SPE, the assets and liabilities of the SPE would not have been consolidated, and the Company's investment would have been recognized as a financial asset.

- Investment properties

The fair value of investment properties is primarily determined using the capitalized net operating income method, with the 12-month forward net operating income divided by a market capitalization rate. The 12-month forward net operating income is based on the Company's operating budget and stabilized for any non-recurring expenses. Management uses the assistance of independent appraisers and external market and industry data to determine an appropriate market capitalization rate for individual properties at period ends.

Key assumptions and estimates made by management in the determination of the fair value of the investment properties include forecasted rental income and vacancies, forecasted property operating expenses and capitalization rates.

NexLiving Communities Inc.

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December 31, 2025 and 2024

(expressed in Canadian dollars)

4 Changes in accounting policy and disclosures and future accounting policy changes

Accounting standards issued but not yet adopted

The International Accounting Standards Board (IASB) has issued IFRS 18 – Presentation and Disclosure in Financial Statements, which was released in April 2024. IFRS 18 introduces new general presentation and disclosure requirements and replaces certain aspects of IAS 1. The standard aims to improve the structure and consistency of financial statements by enhancing the presentation of the statement of profit or loss, introducing required categories and subtotals, and strengthening requirements around disaggregation and footnote disclosures.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently evaluating the potential impact of IFRS 18 on its financial statement presentation and disclosures.

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments clarify the requirements for assessing whether a financial asset meets the solely payments of principal and interest criterion, including for financial assets with ESG-linked and similar contingent features. The amendments also clarify the date of recognition and derecognition of certain financial assets and financial liabilities and introduce an accounting policy election to permit early derecognition of a financial liability when settled through an electronic payment system and specified criteria are met. Additionally, the amendments introduce new disclosure requirements for financial instruments with contingent features and for equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted, and are to be applied retrospectively. The Company does not expect the adoption of these amendments to have a material impact on its consolidated financial statements.

5 Deposits and prepaids

The following table summarizes the changes in deposits and prepaids for the years ended December 31, 2025 and 2024.

	December 31, 2025	December 31, 2024
	\$	\$
Deposits	4,867,198	120,042
Prepaids	1,079,826	909,813
	<u>5,947,024</u>	<u>1,029,855</u>

On September 25, 2025, the Company entered into an agreement to acquire 108 townhouses under construction in the Barrhaven suburb of Ottawa, ON, for a total purchase price of \$43.5 million. Construction is expected to be completed over the course of 2026, and the acquisition will close upon completion. The Company has made a \$4.35 million deposit for the purchase, representing 10% of the purchase price.

NexLiving Communities Inc.

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6 Investment in joint venture

On May 1, 2025, the Company acquired a 50% ownership interest in a portfolio comprising 169 suites across eight multi-residential properties located in Winnipeg, Manitoba for \$1.9 million. The portfolio is currently financed with CMHC insured mortgages totaling approximately \$14.4 million, bearing a weighted-average interest rate of 2.72% and a remaining average term to maturity of approximately three years. The Company has joint and several guarantees on the mortgage facilities within the joint venture.

The following tables represent the financial position of the Company's equity accounted investee on a 100% basis:

	December 31, 2025 \$	December 31, 2024 \$
Current assets	43,176	–
Non-current assets	19,126,686	–
Current liabilities	(216,276)	–
Non-current liabilities	(14,831,704)	–
Net assets	<u>4,121,882</u>	–
The Company's interest	<u>2,060,941</u>	–
	December 31, 2025 \$	December 31, 2024 \$
Revenue	1,197,139	–
Operating expenses	(679,536)	–
Net property operating income	<u>517,603</u>	–
Interest	(257,263)	–
Net income	<u>260,340</u>	–
The Company's interest	<u>130,170</u>	–

7 Investment properties

The following table summarizes the changes in investment properties for the years ended December 31, 2025 and 2024:

	2025 \$	2024 \$
Balance – Beginning of year	446,965,000	240,618,000
Acquisitions during the year	–	216,324,520
Transaction costs	1,500,000	–
Additions during the year	2,721,822	1,970,864
Disposal of investment properties	(1,850,000)	(24,286,000)
Fair value adjustments	795,178	12,337,616
Balance – End of year	<u>450,132,000</u>	<u>446,965,000</u>

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7 Investment properties (continued)

On October 9, 2025, the Company completed the sale of the 10-unit property located on 1101 Chemin de Montreal, Gatineau, QC for \$2.0 million and recorded a gain on sale of \$78,032.

The Company disposed of two properties during 2024 and recorded a gain on sale of \$115,199. On December 12, 2024, the Company completed the sale of the 35-suite property located at 39 Pleasant Street, Moncton, NB for \$5.8 million. On June 24, 2024, the Company completed the sale of the 127-suite property located at 145-155 McLaughlin Road, Moncton, NB for \$19.4 million.

On August 30, 2024, the Company completed the acquisition of a portfolio of multi-family assets in eastern Ontario and Quebec, consisting of 16 properties and 991 units from 8985979 Canada Inc. and Devcore Group Inc. (collectively, Devcore). As consideration, the Company issued 16,333,682 common shares and assumed existing mortgages with a face value of \$164,675,262 (note 9) and paid cash consideration of \$295,680. On October 29, the Company completed the acquisition of the final unowned suite at Place Nelson Morin, a 60-unit complex in Gatineau, QC. NexLiving had previously acquired 59 of the 60 suites as part of the Devcore transaction, and the remaining suite, which was owned by a local resident, was purchased for \$247,500.

The Company evaluated the transaction under the guidelines of IFRS 3, Business Combinations, and the Company elected to apply the optional concentration test as outlined in the standard. The test determined that substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset or group of similar assets, specifically the investment properties. As such, the transaction was accounted for as an asset acquisition. The acquisition of the Devcore portfolio resulted in an increase to investment properties of \$216,077,020, including transaction costs of \$7,830,417. The mortgages assumed were recognized at fair value, in the amount of \$158,864,203 (note 9). The equity consideration issued as part of the transaction was measured at \$48,865,429 (note 10).

The fair value of investment properties is a Level 3 fair value measurement. The fair value represents the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment properties acquired to date were arm's length transactions and the purchase prices were supported by independent appraisals. Fair value is estimated using the capitalized net operating income method with the 12-month forward net operating income stabilized for any non-recurring expenses divided by a market capitalization rate. Key assumptions include the capitalization rate, forecasted rental income and vacancies and forecasted operating expenses for each specific property. For one investment property, representing 15 units, the Company utilizes the direct comparison approach, which estimates fair value based on recent sales of comparable properties in the same or similar market. The selection of valuation methodology is based on the availability and relevance of market data as well as the specific characteristics of each property.

The December 31, 2025 capitalization rates used to value the Company's investment properties ranged from 4.65% to 5.75%, and the weighted average capitalization rate was 5.04% (December 31, 2024 – ranged from 4.50% to 5.25% with a weighted average capitalization rate of 4.82%).

NexLiving Communities Inc.

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7 Investment properties (continued)

The following table summarizes the impact of changes in capitalization rates and stabilized net operating income on the fair value of the Company's investment properties.

		Change in stabilized NOI				
		(2.00)% \$	(1.00)% \$	-0% \$	1.00% \$	2.00% \$
Change in capitalization rate	(0.50)%	39,291,000	44,256,000	49,222,000	54,187,000	59,153,000
	(0.25)%	13,914,000	18,621,000	23,327,000	28,034,000	32,741,000
	-0%	(8,947,000)	(4,473,000)	—	4,473,000	8,947,000
	0.25%	(29,649,000)	(25,387,000)	(21,124,000)	(16,862,000)	(12,600,000)
	0.50%	(48,483,000)	(44,414,000)	(40,344,000)	(36,274,000)	(32,204,000)

8 Accounts payable and accrued liabilities

As at December 31, 2025, accounts payable and accrued liabilities consist of the following:

	2025 \$	2024 \$
Accounts payable	1,565,816	1,415,528
Transaction costs (note 7)	1,500,000	3,885,906
Accrued expenses	1,124,230	862,056
	<u>4,190,046</u>	<u>6,163,490</u>

9 Mortgages payable

	2025 \$	2024 \$
Mortgages payable	321,634,603	321,156,679
Less: Fair value adjustment on assumed mortgages	(4,184,862)	(5,574,462)
Less: Unamortized deferred financing costs	(4,782,276)	(4,555,033)
	<u>312,667,465</u>	<u>311,027,184</u>
Less: Current portion	(53,604,233)	(22,799,170)
	<u>259,063,232</u>	<u>288,228,014</u>

As at December 31, 2025, all of the Company's investment properties, excluding one, had been pledged as security against the mortgages payable. During 2025, the Company repaid its variable rate non-revolving demand construction loan. As at December 31, 2024, \$237,761 was drawn on the construction loans.

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9 Mortgages payable (continued)

The Company's mortgages bear interest at a weighted average interest rate of 3.11% (2024 – 3.17%) with a remaining weighted average term to maturity of 3.5 years (2024 – 4.2 years). The fair value of mortgages payable is approximately \$326.1 million and has been determined by discounting the future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

The following table summarizes the changes in the aggregate mortgage values for the years ended December 31, 2025 and 2024:

	2025	2024
	\$	\$
Balance – Beginning of year	311,027,184	170,385,946
Mortgages assumed, net of fair value adjustment (note 7)	–	158,864,203
Mortgage proceeds	26,408,775	38,096,682
Mortgages on sold properties, net of costs	–	(17,137,103)
Repayments	(25,929,975)	(38,052,906)
Accretion expense	1,411,801	461,600
Additions to finance costs	(783,070)	(2,189,867)
Amortization of finance costs	532,750	598,629
	<hr/>	<hr/>
Balance – End of year	312,667,465	311,027,184

The annual principal and interest payments in relation to the mortgages payable over the 12-month periods ending December 31 are as follows:

	Interest Payable	Principal Repayment	Maturing Weighted Average Interest Rate
	\$	\$	%
2026	9,312,569	53,604,233	2.37%
2027	8,172,416	52,534,673	2.61%
2028	6,260,009	68,464,225	3.75%
2029	4,302,092	19,660,443	3.70%
2030	3,146,478	66,096,061	2.39%
Thereafter	6,382,035	61,274,968	4.04%

10 Share capital

a) Authorized capital stock

Unlimited number of common shares, without nominal or par value

Unlimited number of preferred shares, without nominal or par value, issuable in one or more series

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10 Share capital (continued)

Common shares issued and fully paid:

	Number of shares #	Amount \$
Balance – December 31, 2023	16,464,483	63,567,867
Shares issued pursuant to acquisitions (note 7)	16,333,682	48,865,429
Shares issued pursuant to redemption of DSUs	113,317	318,667
Shares repurchased for cancellation	(33,700)	(118,815)
Balance – December 31, 2024	32,877,782	112,633,148
Shares issued pursuant to redemption of DSUs	14,534	35,858
Shares repurchased for cancellation	(306,800)	(1,050,217)
Balance – December 31, 2025	32,585,516	111,618,789

b) Equity issuances

On August 30, 2024, the Company issued 16,333,682 common shares as part of the Devcore acquisition (note 7). Given the transaction involved the issuance of shares, the fair value of investment properties was first determined, along with the fair value of mortgages assumed, to determine the amount to be allocated to the common shares issued.

c) Security-based compensation plan

The shareholders of the Company approved the adoption of an omnibus equity compensation plan (the Plan) on June 4, 2025. The Plan replaces the Company's deferred share unit plan and share option plan. The principal amendments to such predecessor plans are to allow for the issuance of stock options, stock appreciation rights (SARs), deferred share units (DSUs), restricted share units (RSUs) and performance share units (PSUs) pursuant to the Plan. The purpose of the Plan is to attract and retain directors, officers, employees, consultants and management company employees of NexLiving, and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through security-based compensation awards, which are exercisable or can be settled by the issuance of common shares of the Company.

The aggregate number of common shares to be awarded under the Plan will be a rolling maximum number that will not be greater than 10% of the issued and outstanding common shares at any point in time. As at December 31, 2025, the Company has awarded only DSUs and stock options under the Plan, and the maximum number of common shares remaining available for issuance under the Plan is 2,141,621.

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10 Share capital (continued)

Pursuant to the Plan, directors may elect to receive all or a portion of their annual fees, if any, in DSUs. The election, if it is made, can be for an amount between 0% and 100% of such compensation in DSUs. The number of DSUs received is equal to the amount of compensation elected to be received in DSUs, divided by the market price of the common shares on the TSXV on the date of grant.

In addition, the Board of Directors has the authority to make discretionary awards of DSUs to participants under the Plan. DSUs granted pursuant to discretionary awards will vest in accordance with the vesting schedule determined by the Board of Directors. Generally, DSUs will vest equally over three years, with one-third of the awarded DSUs vesting on each of the first, second and third anniversaries of the date of the award. As at December 31, 2025, a total of 788,900 (December 31, 2024 – 493,200) DSUs were outstanding, of which 326,466 (December 31, 2024 – 211,233) DSUs have vested.

All unvested DSUs will vest immediately in the case of a change of control of the Company. In addition, in the event of the death or termination without cause of a participant who received DSUs, the participant's DSUs will vest immediately. The Board of Directors may at any time shorten the vesting period of any or all DSUs.

Each DSU held by a participant must be redeemed by the Company within ten years of grant for common shares issued from treasury or cash settled. As the Company does not have a stated intent of which settlement method will be used, the DSUs were accounted for based on past practice as equity settled, as all DSUs have been settled through the issuance of shares to date. Each vested DSU held by a participant who ceases to be an eligible employee, director or officer shall be redeemed by the Company effective as at the separation date for Plan shares issued from treasury or cash settled.

On June 24, 2025, the Board of Directors approved the issuance of 120,000 DSUs to directors and management of the Company. The DSUs vest over three years in accordance with the provisions of the Company's Plan. The fair value per DSU granted was \$1.86.

On February 26, 2025, the Board of Directors approved the issuance of 198,000 DSUs to an officer of the Company. The DSUs vest over three years in accordance with the provisions of the Company's Plan. The fair value per DSU granted was \$1.66.

On May 15, 2024, the Board of Directors approved the issuance of 220,000 DSUs to directors, management and consultants of the Company. The DSUs vest over three years in accordance with the provisions of the Company's Plan. The fair value per DSU granted was \$1.68.

The Company charged \$480,900 in non-cash stock-based compensation to operations for the year ended December 31, 2025 (December 31, 2024 – \$454,200), of which \$460,100 (December 31, 2024 – \$428,900) related to DSUs issued to officers and directors of the Company.

NexLiving Communities Inc.

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10 Share capital (continued)

The following table summarizes the changes in the Company's DSUs for the years ended December 31, 2025 and 2024.

	Number of DSUs (note 3)
Balance – December 31, 2023	426,450
Issued during the year	220,000
Redeemed during the year	<u>(153,250)</u>
Balance – December 31, 2024	493,200
Issued during the year	318,200
Redeemed during the year	<u>(22,500)</u>
Balance – December 31, 2025	<u>788,900</u>

In accordance with the Plan, stock options may be granted to directors, officers, employees and consultants. The exercise price of the stock options is determined by the Board of Directors when the options are granted, but it cannot be less than the closing price of the Company's shares on the TSXV on the business day immediately preceding the day on which the option is granted. The maximum exercise period of the stock options is ten years.

In determining the stock-based compensation expense, the fair value of options issued is estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility.

No options were issued during the years ended December 31, 2025 and 2024. Options granted and outstanding at December 31, 2025, and 2024 totalled 52,500, of which 15,000 have an exercise price of \$4.80 and expire May 15, 2030, and 37,500 have an exercise price of \$3.80 and expire April 20, 2031.

Options vested and exercisable as at December 31, 2025, totalled 52,500 with a weighted average exercise price of \$4.09 per share.

d) Share repurchases

Pursuant to a notice of intention to make a normal course issuer bid (NCIB) filed with the TSXV, the Company may repurchase for cancellation up to 1,500,000 common shares in its own capital stock during the period from June 2, 2025 to June 2, 2026.

The price that the Company will pay for any such common shares will be the prevailing market price at the time of acquisition. All common share purchases under the NCIB will be made on the open market through the facilities of the TSXV, other designated exchanges and/or alternative Canadian trading systems and will be purchased for

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10 Share capital (continued)

cancellation. The funding for any purchase pursuant to the NCIB will be financed out of the working capital of the Company.

During the year ended December 31, 2025, the Company purchased for cancellation 306,800 shares (December 31, 2024 – 33,700 shares) at a cost of \$590,674 (December 31, 2024 - \$66,864) at \$1.93 per share. The excess of the historical book value of the shares over the purchase price of \$459,543 (December 31, 2024 - \$51,949) has been recorded to contributed surplus, and \$1,050,217 (December 31, 2024 - \$118,814) has been charged to share capital.

At December 31, 2025, 37,200 of the Company shares repurchased have not yet been cancelled. These common shares have been treated as treasury shares and deducted from common shares outstanding as at December 31, 2025.

11 Income taxes

As at December 31, 2025, the Company's effective income tax rate differed from the amount that would be computed from applying the federal and provincial statutory rate of 29% (2024 – 29%) to the pre-tax income for the year as follows:

	2025	2024
	\$	\$
Computed tax expense at the statutory rates	2,030,000	4,615,000
Changes in deductible temporary differences and unused tax losses not recognized	486,000	(2,247,000)
Tax effect of permanent differences	139,000	132,000
Provision for income taxes	<u>2,655,000</u>	<u>2,500,000</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and (liabilities) are presented below.

	2025	2024
	\$	\$
Financing fees	884,000	1,150,000
Investment properties	(10,883,000)	(7,948,000)
Non-capital losses	3,999,000	3,398,000
Deferred tax liability	<u>(6,000,000)</u>	<u>(3,400,000)</u>

The non-capital losses expire between 2032 and 2042.

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12 Related party transactions

Management and board compensation

Key management includes the Company's officers and directors.

	2025	2024
	\$	\$
Cash and accrued compensation	563,333	790,755
Stock-based compensation (note 10(c))	460,100	428,900
	<u>1,023,433</u>	<u>1,219,655</u>

Property operating expenses

The Company holds assets and conducts operations within the same geographic region as entities under the control of two of its directors. In the normal course of business, the Company entered into a cost sharing arrangement with these related parties, resulting in expenditures totaling \$523,805 during 2025 (December 31, 2024 - \$277,671). Additionally, the Company also engaged a telecommunications provider controlled by one director to deliver services to its tenants, incurring costs of \$260,152 (December 31, 2024 - \$96,239).

13 Earnings per share

	2025			2024		
	Income	Weighted average shares	Per share amount	Income	Weighted average shares	Per share amount
	\$	#	\$	\$	#	\$
Net income per share – basic	4,343,361	33,063,850	0.13	13,413,234	22,208,557	0.60
Dilutive impact of stock options and DSUs	–	250,582		–	154,876	–
Net income per share – diluted	<u>4,343,361</u>	<u>33,314,432</u>	<u>0.13</u>	<u>13,413,234</u>	<u>22,363,433</u>	<u>0.60</u>

The Company's potentially dilutive instruments include the stock options and DSUs. For the years ended December 31, 2025 and 2024 the stock options were anti-dilutive and the DSUs were dilutive.

14 Capital management

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company. The Company considers capital to be shareholders' equity, which at December 31, 2025 totalled \$139.1 million (2024 – \$136.2 million). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

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15 Financial instruments and other

Interest rate risk

The Company is exposed to interest rate risk on its borrowings and could be adversely affected if it were unable to obtain cost-effective financing. This risk is mitigated as 100% of the Company's interest-bearing financial liabilities have fixed rates of interest. Assuming a 100 basis point increase in interest rates, financing costs would increase by approximately \$3.2 million over time.

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and will be unable to fulfill their lease commitments. The Company attempts to mitigate its credit risk by ensuring its tenant mix is heavily weighted to creditworthy tenants. The Company further manages credit risk by holding its cash with high quality financial institutions in Canada, where management believes the risk of loss to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. The Company has financed acquisitions of investment properties with mortgages, which are periodically required to be refinanced based on the prevailing market conditions at the end of the mortgage term. Within the next 12 months, nine mortgages totalling \$49.9 million will mature. One of the mortgages has been renewed subsequent to year-end (note 16). Management expects to renew the remaining eight mortgages during the year and has begun discussion with the lenders.

Management believes it has access, through its working capital, operating cash flows and expected mortgages renewals, to sufficient capital to meet the Company's obligations for the next 12 months.

16 Subsequent events

On February 5, 2026, the Company refinanced its mortgage on the 2380 Mountain Road property and entered into a new \$10.8 million CMHC insured mortgage for a five-year term with a fixed interest rate of 3.65%. The new mortgage replaced the maturing \$10.5 million mortgage, which bore interest at 2.55%.

On February 11, 2026, the Company completed the sale of its 15-unit property located at 24–28 Rue de la Futaie in Gatineau, QC for \$2.9 million in net proceeds.

On February 11, 2026, the Company declared a dividend of \$0.01 per common share for the quarter ending March 31, 2026, representing \$0.04 per share on an annualized basis. The dividend was paid on March 27, 2026, to shareholders of record on March 6, 2026.

For the period January 1 to March 31, 2026, the Company purchased and cancelled a total of 94,300 shares pursuant to its NCIB for a total cost of \$212,862, representing a weighted average share price of \$2.26.

On April 9, 2026, the Board of Directors approved the issuance of 143,000 DSUs to officers and employees of the Company. The DSUs vest over three years in accordance with the provisions of the Company's DSU Plan.