

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 001-41628

STRAWBERRY FIELDS REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation or organization)

84-2336054
(I.R.S. Employer
Identification No.)

6101 Nimitz Parkway, South Bend, IN 46628
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: **(574) 807-0800**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock Par value \$0.0001 per share	STRW	NYSE American LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act.) Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed fourth fiscal quarter: \$139,676,706

As of March 19, 2026, there were 13,378,307 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the Meeting of Shareholders (to be filed with the Securities and Exchange Commission no later than 120 days after the end of the registrant's fiscal year end) are incorporated by reference in this Annual Report on Form 10-K in response to Part II, Item 5 and Part III, Items 10, 11, 12, 13 and 14.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K are “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. This Form 10-K also contains forward-looking statements by third parties relating to market and industry data and forecasts; forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements contained in this Form 10-K. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations, Funds From Operations (“FFO”), our strategic plans and objectives, cost management, potential property acquisitions, anticipated capital expenditures (and access to capital), amounts of anticipated cash distributions to our stockholders in the future and other matters. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of these words and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. Readers are cautioned to not place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- risks and uncertainties related to the national, state and local economies, particularly the economies of Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas, and the real estate and healthcare industries in general;
- availability and terms of capital and financing;
- the impact of existing and future healthcare reform legislation on our tenants, borrowers and guarantors;
- adverse trends in the healthcare industry, including, but not limited to, changes relating to reimbursements available to our tenants by government or private payors;
- competition in long-term healthcare industry and shifts in the perception of various types of long-term care facilities, including skilled nursing facilities;
- our tenants’ ability to make rent payments;
- our dependence upon key personnel whose continued service is not guaranteed;
- availability of appropriate acquisition opportunities and the failure to integrate successfully;
- ability to source target-marketed deal flow;
- ability to dispose of assets held for sale for the anticipated proceeds or on a timely basis, or to deploy the proceeds therefrom on favorable terms;
- fluctuations in mortgage and interest rates;
- changes in the ratings of our debt securities;

- risks and uncertainties associated with property ownership and development;
- the potential need to fund improvements or other capital expenditures out of operating cash flow;
- potential liability for uninsured losses and environmental liabilities;
- the outcome of pending or future legal proceedings;
- changes in tax laws and regulations affecting REITs;
- our ability to maintain our qualification as a REIT; and
- the effect of other factors affecting our business or the businesses of our operators that are beyond our or their control, including natural disasters, other health crises or pandemics and governmental action; particularly in the healthcare industry.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. New risks and uncertainties may also emerge from time to time that could materially and adversely affect us.

GLOSSARY OF CERTAIN TERMS

The following is a glossary of certain terms used in this Form 10-K:

“ADA” means the Americans with Disabilities Act of 1990, as amended.

“ALF” means assisted living facility.

“AFFO” means adjusted funds from operations

“Affordable Care Act” means the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010.

“BVI Company” means Strawberry Fields REIT, Ltd., a company organized under the laws of the British Virgin Islands. Upon the consummation of the formation transactions, the BVI Company became a wholly-owned subsidiary of the Operating Partnership.

“CAGR” means compound annual growth rate.

“Capitalization rate” means the ratio of a property’s operating income to its purchase price.

“CMS” means the Centers for Medicare and Medicaid Services, which administers Medicare, Medicaid and the State Children’s Health Insurance Program.

“Company” means Strawberry Fields REIT, Inc., a Maryland corporation.

“Dollars” or “\$” means United States dollars.

“EBITDA” means earnings before interest, taxes, depreciation and amortization.

“EBITDAR” means earnings before interest, taxes, depreciation, amortization and rent.

“EBITDARM” means earnings before interest, taxes, depreciation, amortization, rent and management fees.

“FFO” means funds from operations

“GLA” or “gross leasable area” or means the area in any building that may be leased to tenants.

“HHS” means the U.S. Department of Health and Human Services.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended.

“HITECH Act” means the Health Information Technology for Economic and Clinical Health Act.

“HUD” means the U.S. Department of Housing and Urban Development, the federal government agency for housing and urban development.

“long-term acute care hospital” or “LTACH” means medical institutions in which patients requiring prolonged hospitalization (but who are stable) are given medical care and rehabilitation for several weeks. The operation of these institutions is subject to receipt of a suitable license.

“MIP” means mortgage insurance premiums

“NIS” means New Israeli Shekels.

“Operating Partnership” means Strawberry Fields Realty LP, a Delaware limited partnership.

“OP units” means the units of limited partnership interests in the Operating Partnership.

“Predecessor Company” means Strawberry Fields REIT, LLC, an Indiana limited liability company. Prior to the consummation of the formation transactions, the Predecessor Company was the indirect owner of 73 of our properties.

“SNF” means a skilled nursing facility.

“Series C Bonds” means the Series C Bonds issued by the BVI Company, which were first offered to the public in Israel on July 28, 2021. As of December 31, 2025, the Series C Bonds had an outstanding principal balance of approximately \$77.7 million.

“Series D Bonds” means the Series D Bonds issued by the BVI Company, which were first offered to the public in Israel on June 19, 2023. As of December 31, 2025, the Series D Bonds had an outstanding principal balance of approximately \$55.1 million.

“Series A Bonds-Inc” means the Series A Bonds issued by Strawberry Fields, Inc, which were first offered to the public in Israel on August 5, 2024. As of December 31, 2025, the Series A Bonds had an outstanding principal balance of approximately \$94.7 million.

“Series B Bonds-Inc” means the Series B Bonds issued by Strawberry Fields, Inc, which were first offered to the public in Israel on June 22, 2025. As of December 31, 2025, the Series A Bonds had an outstanding principal balance of approximately \$107.2 million.

“TASE” means the Tel Aviv Stock Exchange Ltd.

“TRS” means taxable REIT subsidiary.

TENANT INFORMATION

This Annual Report on Form 10-K includes information regarding certain of our tenants that lease properties from us and are not subject to SEC reporting requirements.

The information related to our tenants contained or referred to in this Annual Report on Form 10-K was provided to us by such tenants. We have not verified this information through an independent investigation or otherwise. We have no reason to believe that this information is inaccurate in any material respect, but we cannot provide any assurance of its accuracy. We are providing this data for informational purposes only.

PART I

References in this Annual Report on Form 10-K to “we,” “our,” “us” and “the Company” refer to Strawberry Fields REIT, Inc., a Maryland corporation, together with its consolidated subsidiaries, Strawberry Fields Realty LP, a Delaware limited partnership, which we refer to in this Form 10-K as our Operating Partnership. We are the sole general partner of our Operating Partnership.

ITEM 1. Business

We are a self-managed and self-administered real estate company that specializes in the acquisition, ownership and triple-net leasing of skilled nursing facilities and other post-acute healthcare properties. As of December 31, 2025, our portfolio consisted of 133 healthcare properties with an aggregate of 15,602 licensed beds. We hold fee title to 132 of these properties and hold one property under a long-term lease. These properties are located across Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. Our 133 properties comprise 143 healthcare facilities, consisting of 131 skilled nursing facilities, 10 assisted living facilities and 2 long-term acute care hospitals.

We generate substantially all of our revenues by leasing our properties to tenants under long-term leases primarily on a triple-net basis, under which the tenant pays the cost of real estate taxes, insurance and other operating costs of the facility and capital expenditures. Our properties are currently leased to 143 tenants under 32 lease agreements. Approximately 89.4% of our properties are held under a master lease which provides for cross default provisions, cross collateralization and diversification of risk. As of December 31, 2025, our average remaining initial lease term is 7.2 years with average annual rent escalators of 2.8%. Most of our leases include two 5-year renewal options to extend the term.

We are entitled to monthly rent paid by the tenants and we do not receive any income or bear any expenses from the operation of such facilities. As of December 31, 2025, the aggregate annualized average base rent for the expected life of the leases for our properties was approximately \$142.7 million.

Each healthcare facility located at our properties is managed by a qualified operator with an experienced management team. As of December 31, 2025, 66 facilities representing 48.5% of our annualized base rent are leased to and operated by related parties that are affiliates of Moishe Gubin, who is our Chairman and Chief Executive Officer and Michael Blisko, who is one of our directors. These properties are operated by affiliates of Infinity Healthcare Management (“Infinity Healthcare”), a healthcare consulting business, beneficially owned by Mr. Gubin and Mr. Blisko/. Infinity Healthcare and its affiliates are one of the largest groups of operators of skilled nursing facilities in the Midwest with over 8,500 beds. Our relationship with Infinity Healthcare provides us with unmatched insight into operating trends and industry developments. Additionally, our relationship with Infinity Healthcare provides us with operating flexibility with regard to evaluating potential new acquisitions or better understanding of operational issues pertaining to underperforming tenants.

Since January 2020 we have grown significantly through acquisitions, having purchased 72 facilities, with an aggregate purchase price of approximately \$439.8 million and weighted average lease yield of 13.9%. The weighted average lease yield is calculated as the annualized average annual base rent for the expected life of the leases divided by total purchase price. Since 2020, our aggregate annualized average base rent for the expected life of the leases for our properties has grown at an approximate 13.4% CAGR from \$75.3 million in fiscal year 2019 to \$142.7 million as of December 31, 2025. In addition, our Adjusted EBITDA and FFO from 2020 to 2025 grew at an approximate 13.5% and 13.3% CAGR, respectively. During that period, we expanded our geographic footprint from nine states to ten states.

From January 1, 2025, through December 31, 2025, we acquired 19 skilled nursing and 1 assisted living facilities for a total cost of \$112.1 million (including leasehold improvements), which includes capitalized acquisition costs. These acquisitions are expected to generate initial annual cash revenues of approximately \$12.1 million.

Our management team has extensive experience in acquiring, owning, financing, operating and leasing skilled nursing facilities and other types of healthcare properties. The team is led by Moishe Gubin, our Chief Executive Officer and Chairman of our Board of Directors, Greg Flamion, our Chief Financial Officer, and Jeffrey Bajtner who serves as our Chief Investment Officer. Combined, this team has over 50 years of experience investing in real estate and particularly in healthcare related real estate and operating companies. Mr. Gubin began his career working as a skilled nursing operator in 1998 and developed in-depth knowledge of the business before purchasing his first skilled nursing facility in 2003. Mr. Gubin has successfully raised equity and debt capital to facilitate over 160 real estate related/healthcare related acquisitions totaling over \$1.6 billion in gross investment. In addition, our management team has extensive experience as operators of, and healthcare consultants to, skilled nursing facilities, having managed and operated over 90 skilled nursing facilities, including 66 of our current tenants. We believe our management team's unique experience across both skilled nursing operations and real estate and its extensive knowledge of the skilled nursing industry position us favorably to take advantage of healthcare investment opportunities. Additionally, our deep and broad relationships with industry operators have allowed us to identify and acquire skilled nursing facilities to which many of our competitors do not have access.

We have assembled a high quality and diversified portfolio of skilled nursing and other healthcare related facilities and we plan to continue to invest primarily in skilled nursing facilities and other healthcare facilities that primarily provide services to the elderly. We believe these asset classes provide potential for higher risk-adjusted returns compared to other forms of net-leased real estate assets due to the specialized expertise necessary to acquire, own, finance and operate these properties, which are factors that tend to limit competition among investors, owners, operators and finance companies. Additionally, our management team's strong relationships in the industry have allowed us to acquire healthcare-related properties at valuations that achieve attractive lease yields, with the goal of generating strong returns for our stockholders over the long-term. As we continue to acquire additional properties and expand our portfolio, we expect to continue diversifying our portfolio by geography and by tenant, while also maintaining balance sheet strength and liquidity.

We elected to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2022. We believe that we have been organized and have operated, and we intend to continue to operate, in a manner to qualify for taxation as a REIT. We operate through an umbrella partnership, commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held through Strawberry Fields Realty, L.P. (the "Operating Partnership"). We are the general partner of the Operating Partnership and as of December 31, 2025 we own approximately 24.0% of the outstanding OP units. To maintain REIT status, we must meet certain organizational and operational requirements, including a requirement that we annually distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains.

We generate revenues primarily by leasing healthcare-related properties to healthcare operators in triple-net lease arrangements, under which the tenant is solely responsible for the costs related to the property (including property taxes, insurance, maintenance and repair costs and capital expenditures). From time to time, we also extend loans to healthcare operators, generally secured by their receivables. We conduct and manage our business as one operating segment for internal reporting and internal decision-making purposes. We expect to grow our portfolio by pursuing opportunities to acquire additional properties that will be leased to a diverse group of local, regional and national healthcare providers, which may include new or existing skilled nursing operators. We also anticipate diversifying our portfolio over time, including by acquiring properties in different geographic markets, and in different asset classes. In addition, we actively monitor the clinical, regulatory, and financial operating results of our tenants, and work to identify opportunities within their operations and markets that could improve their operating results at our facilities. We communicate such observations to our tenants; however, we have no contractual obligation to do so. Moreover, our tenants have sole discretion with respect to the day-to-day operation of the facilities they lease from us, and how and whether to implement any observation we may share with them. We also actively monitor the overall occupancy, skilled mix, and other operating metrics of our tenants monthly.

We have replaced tenants in the past, and may elect to replace tenants in the future, if they fail to meet the terms and conditions of their leases with us. The replacement tenants may include tenants with whom we have had no prior landlord-tenant relationship as well as current tenants with whom we are comfortable expanding our relationships. In addition, we periodically reassess the investments we have made and the tenant relationships we have entered, and have selectively disposed of facilities or investments, or terminated such relationships, and we expect to continue making such reassessments and, where appropriate, taking such actions.

Our Industry

The skilled nursing industry has evolved to meet the growing demand for post-acute and custodial healthcare services generated by an aging population, increasing life expectancies and the trend toward shifting patient care to lower cost settings. We believe this evolution has led to a number of favorable improvements in the industry, as described below:

- *Shift of Patient Care to Lower Cost Alternatives.* The growth of the senior population in the United States continues to increase healthcare costs. In response, federal and state governments have adopted cost-containment measures that encourage the treatment of patients in more cost-effective settings such as SNFs, for which the staffing requirements and associated costs are often significantly lower than acute care hospitals, inpatient rehabilitation facilities and other post-acute care settings. As a result, SNFs are generally serving a larger population of higher-acuity patients than in the past. The same trend is impacting ALFs, which are now generally serving some patients who previously would have received services at SNFs.
- *Significant Acquisition and Consolidation Opportunities.* The skilled nursing industry is large and highly fragmented, characterized predominantly by numerous local and regional providers. We believe this fragmentation provides significant acquisition and consolidation opportunities.
- *Widening Supply and Demand Imbalance.* The number of SNFs has declined modestly over the past several years. According to the Valuation & Information Group, which provides appraisal and market reports for the industry, the nursing home industry is currently comprised of approximately 14,800 facilities, as compared with over 16,700 facilities as of December 2000. Supply of new facilities is limited due to certificate of need restrictions. 71% of states have certificate of need restrictions. We expect that the supply/demand imbalance in the skilled nursing industry will increasingly favor skilled nursing providers due to the shift of patient care to lower cost settings and an aging population to meet the growing need for post-acute healthcare.
- *Increased Demand Driven by Aging Populations.* As seniors account for a higher percentage of the total U.S. population, we believe the overall demand for skilled nursing services will increase. At present, the primary market demographic for skilled nursing services is individuals aged 75 and older. The 2020 U.S. Census reported that there were over 56 million people in the United States in 2020 over the age of 65. The U.S. Census estimates this group to be one of the fastest growing segments of the United States population, projecting that it will almost double between 2020 and 2060. According to the Centers for Medicare & Medicaid Services, nursing home care facilities and continuing care retirement expenditures are projected to grow from approximately \$196.8 billion in 2020, which includes federal expenditures in response to the COVID-19 pandemic, to approximately \$266 billion in 2028.

Tenants and Operators

Our properties are currently leased to 143 tenants under 32 lease agreements. Our leases include 16 master lease agreements that cover 127 facilities leased to 126 tenants, with the remaining 16 leases each covering a single facility leased to one tenant. 66 of our tenants are related parties.

Each property is operated as a healthcare facility by a licensed operator, which may be the tenant or a separate operator. Each operator holds a license granted by state regulators to operate a specific type of facility. All the operators have experienced management teams and senior healthcare staff with substantial knowledge of their respective local markets. We target healthcare operators that are owned by principals with a history of quality care, and the demonstrated ability to successfully navigate in a changing healthcare operating environment. Certain operators are related parties.

We believe that each of the operators of our properties is primarily focused on serving the needs of the local community. Unlike operators that are part of a large national healthcare conglomerate, we believe the operators at our properties can manage their facilities more efficiently because they are not burdened by costly infrastructure and have the flexibility to rapidly adjust their cost structure to respond to changes in the reimbursement environment.

In order to operate efficiently and improve profitability, most of the operators at our facilities have engaged large consulting firms that specialize in healthcare and skilled nursing operations. These consulting firms provide advice and assistance on marketing, operating policies and procedures, billing, collections and regulatory compliance. The operators and consultants work together to develop and standardize best practices in the facilities, while operating in a cost-efficient manner. The operators at our properties primarily use one of 15 principal consulting firms, including three firms that are part of Infinity Healthcare, a healthcare consulting business that is owned by the Moishe Gubin, who is our Chairman and Chief Executive Officer and Michael Blisko, who is one of our directors.

The tenants and operators of our properties have demonstrated the ability to generate consistent profitability despite the challenging markets in which they operate. In many cases, these tenants and operators have successfully optimized and stabilized underperforming skilled nursing facilities. While these tenants and operators have been successful, we expect to seek opportunities to diversify our tenant/operator mix through future acquisitions that will be leased to new operators.

The following table contains information regarding our healthcare facility portfolio by tenant, as of December 31, 2025.

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
Master Lease											
Indiana 1											
1020 West Vine St, LLC 12803 Lenover Street Realty, LLC	The Waters of Princeton II, LLC	Princeton	IN	SNF	95	2034	32,571	100%	1,224,215	0.9%	37.59
1350 North Todd St, LLC 1600 East Liberty Street Realty, LLC	The Waters of Dillsboro - Ross II, LLC	Dillsboro	IN	SNF	123	2034	67,851	100%	1,585,037	1.1%	23.36
1350 North Todd St, LLC 1600 East Liberty Street Realty, LLC	The Waters of Scottsburg II, LLC	Scottsburg	IN	SNF	99	2034	28,050	100%	1,275,761	0.9%	45.48
1601 Hospital Dr Realty, LLC	The Waters of Covington II, LLC	Covington	IN	SNF	119	2034	40,821	100%	1,533,491	1.1%	37.57
1712 Leland Drive Realty, LLC	The Waters of Greencastle II, LLC	Greencastle	IN	SNF	100	2034	31,245	100%	1,288,648	0.9%	41.24
2055 Heritage Dr Realty, LLC	The Waters of Huntingburg II, LLC	Huntingburg	IN	SNF	95	2034	45,156	100%	1,224,215	0.9%	27.11
3895 Keystone Ave Realty, LLC	The Waters of Martinsville II, LLC	Martinsville	IN	SNF	103	2034	30,060	100%	1,327,307	0.9%	44.16
405 Rio Vista Lane Realty, LLC	The Waters of Indianapolis II, LLC	Indianapolis	IN	SNF	81	2034	25,469	100%	1,043,805	0.7%	40.98
950 Cross Ave Realty, LLC	The Waters of Rising Sun II, LLC	Rising Sun	IN	SNF	58	2034	16,140	100%	747,416	0.5%	46.31
958 East Highway 46 Realty, LLC	The Waters of Clifty Falls II, LLC	Madison	IN	SNF	138	2034	39,438	100%	1,778,334	1.2%	45.09
2400 Chateau Drive Realty LLC	The Water of Batesville II, LLC	Batesville	IN	SNF	86	2034	59,582	100%	1,108,237	0.8%	18.60
Big H2O 1316 North Tibbs Avenue Realty LLC	The Waters of Muncie II, LLC	Muncie	IN	SNF	72	2034	22,350	100%	927,826	0.7%	41.51
1002 SISTER BARBARA WAY, LLC	The Waters of Newcastle II, LLC (2)	New Castle	IN	SNF	66	2034	24,860	100%	850,507	0.6%	34.21
2640 Cold Spring Road Realty, LLC	West Park a water community	Indianapolis	IN	SNF	89	2034	26,572	100%	1,146,896	0.8%	43.16
Wickenhauser, LLC	Waters of Georgetown	Georgetown	IN	SNF	78	2034	50,948	100%	1,005,145	0.7%	19.73
727 North 17th St, LLC	Alpha A Waters Community, LLC	Indianapolis	IN	SNF	86	2034	37,054	100%	1,108,237	0.8%	29.91
Master Lease											
Illinois 1											
253 Bradington Drive, LLC 3523 Wickenhauser, LLC	Bria of Columbia	Columbia	IL	SNF	119	2032	43,189	100%	410,821	0.3%	9.51
727 North 17th St, LLC	Bria of Alton	Alton	IL	SNF	181	2032	44,840	100%	624,862	0.4%	13.94
Master Lease											
Illinois 2											
1623 West Delmar Ave, LLC 393 Edwardsville Road LLC	Bria of Godfrey	Godfrey	IL	SNF	68	2032	15,740	100%	234,755	0.2%	14.91
	Bria of Wood River	Wood River	IL	SNF	106	2032	29,491	100%	365,941	0.3%	12.41

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
Master Lease											
Landmark											
8200 National Ave Realty, LLC	Landmark of Midwest City Hospital	Midwest City	OK	LTACH	31	2032	49,319	100%	149,088	0.1%	3.02
Oak Lawn Nursing Realty, LLC	Oak Lawn Respiratory and Rehab center, LLC	Oak Lawn	IL	SNF	143	2028	37,854	100%	687,731	0.5%	18.17
Forest View Nursing Realty, LLC	Forest View Rehab and Nursing center, LLC	Itasca	IL	SNF	144	2024	34,152	100%	692,540	0.5%	20.28
Parkshore Estates Nursing Realty, LLC	Parkshore Estates Nursing & Rehab Center, LLC	Chicago	IL	SNF	318	2024	94,018	100%	1,529,359	1.1%	16.27
Hill Valley Master Lease											
1015 Magazine Street, LLC	Landmark of River City Rehabilitation and Nursing Center	Louisville	KY	SNF	92	2032	36,050	100%	2,060,536	1.4%	57.16
900 Gagel Avenue, LLC	Landmark of Iroquois Park Rehabilitation and Nursing Center	Louisville	KY	SNF	120	2032	36,374	100%	2,687,656	1.9%	73.89
308 West Maple Avenue, LLC	Landmark of Lancaster Rehabilitation and Nursing Center	Lancaster	KY	SNF	96	2032	42,438	100%	2,150,125	1.5%	50.67
1155 Eastern Parkway, LLC	Landmark of Louisville Rehabilitation and Nursing Center	Louisville	KY	SNF	252	2032	106,250	100%	5,644,077	4.0%	53.12
203 Bruce Court, LLC	Landmark of Danville Rehabilitation and Nursing Center	Danville	KY	SNF	90	2032	26,000	100%	2,015,742	1.4%	77.53
203 Bruce Court, LLC	Goldenrod Village Assisted Living Center	Danville	KY	ALF	16	2032	19,500	100%	358,354	0.3%	18.38
203 Bruce Court, LLC	Hillside Suites Independent Living Center	Danville	KY	Independent Living	0	2032	1,000		-	0.0%	
120 Life Care Way, LLC	Landmark of Bardstown Rehabilitation and Nursing Center	Bardstown	KY	SNF	100	2032	36,295	100%	2,239,713	1.6%	61.71
1033 North Highway 11, LLC	Landmark of Laurel Creek Rehabilitation and Nursing Center	Manchester	KY	SNF	106	2032	32,793	100%	2,374,096	1.7%	72.40
945 West Russell Street, LLC	Landmark of Elkhorn City Rehabilitation and Nursing Center	Elkhorn City	KY	SNF	106	2032	31,637	100%	2,374,096	1.7%	75.04
420 Jett Drive, LLC	Landmark of Breathitt County Rehabilitation and Nursing Center, LLC	Jackson	KY	SNF	120	2032	32,581	100%	2,687,656	1.9%	82.49
1253 Lake Barkley Drive, LLC	Landmark of Kuttawa, A Rehabilitation & Nursing Center	Kuttawa	KY	SNF	65	2032	37,892	100%	1,455,813	1.0%	38.42

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
Master Lease Ohio										-	
3090 Five Points Hartford Realty, LLC	Continent Healthcare Co - Hartford	Fowler	OH	SNF	54	2025	15,504	100%	196,012	0.1%	12.64
3121 Glanzman Rd Realty, LLC	Continent Healthcare Co - Toledo	Toledo	OH	SNF	84	2025	24,087	100%	304,908	0.2%	12.66
620 West Strub Rd Realty, LLC	Continent Healthcare Co - Sandusky	Sandusky	OH	SNF	50	2025	18,984	100%	181,493	0.1%	9.56
4250 Sodom Hutchings Road Realty, LLC	Continent Healthcare Co - Cortland	Cortland	OH	SNF	50	2025	14,736	100%	181,493	0.1%	12.32
Master Lease Tennessee 1											
115 Woodlawn Drive, LLC	Lakebridge a Waters Community, LLC	Johnson City	TN	SNF	109	2031	37,734	100%	1,026,061	0.7%	27.19
146 Buck Creek Road, LLC	Waters of Roan Highlands, LLC	Roan Mountain	TN	SNF	80	2031	30,139	100%	753,072	0.5%	24.99
704 5th Avenue East, LLC	Waters of Springfield, LLC	Springfield	TN	SNF	66	2031	19,900	100%	621,284	0.4%	31.22
2501 River Road, LLC	Waters of Cheatham, LLC	Ashland City	TN	SNF	80	2031	37,953	100%	753,072	0.5%	19.84
202 Enon Springs East, LLC	Waters of Smyrna, LLC	Smyrna	TN	SNF	91	2031	34,070	100%	856,619	0.6%	25.14
140 Technology Lane, LLC	Waters of Johnson City, LLC	Johnson City	TN	SNF	84	2031	34,814	100%	790,726	0.6%	22.71
835 Union Street, LLC	Waters of Shelbyville, LLC	Shelbyville	TN	SNF	96	2031	44,327	100%	903,686	0.6%	20.39
1340 North Grundy Quarles Highway, LLC	Waters of Gainesboro, LLC	Gainesboro	TN	SNF	83	2031	20,866	100%	781,312	0.5%	37.44
1340 North Grundy Quarles Highway, LLC	Waters of Gainesboro, LLC	Gainesboro	TN	ALF	25	2031	10,277	100%	235,335	0.2%	22.90
100 Netherland Lane, LLC	Waters of Kingsport	Kingsport	TN	SNF	67	2031	28,140	100%	630,698	0.4%	22.41
2648 Sevierville Road, LLC	Waters of Maryville	Maryville	TN	SNF	181	2031	49,810	100%	1,703,825	1.2%	34.21
Master Lease Tennessee 2											
505 North Roan Street, LLC	Agape Rehabilitation & Nursing Center, A Water's Community	Johnson City	TN	SNF	84	2031	27,100	100%	1,628,910	1.1%	60.11
14510 Highway 79, LLC	Waters of McKenzie, A Rehabilitation & Nursing Center	McKenzie	TN	SNF	66	2031	22,454	100%	1,279,858	0.9%	57.00
6500 Kirby Gate Boulevard, LLC	Waters of Memphis, A Rehabilitation & Nursing Center	Memphis	TN	SNF	90	2031	51,565	100%	1,745,261	1.2%	33.85
978 Highway 11 South, LLC	Waters of Sweetwater, A Rehabilitation	Sweetwater	TN	SNF	90	2031	30,312	100%	1,745,261	1.2%	57.58

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
2830 Highway 394, LLC	Waters of Bristol, A Rehabilitation & Nursing Center	Bristol	TN	SNF	120	2031	53,913	100%	2,327,014	1.6%	43.16
Master Lease Arkansas 1											
5301 Wheeler Avenue, LLC	The Blossoms at Fort Smith	Fort Smith	AR	SNF	117	2028	41,490	100%	821,950	0.6%	19.81
414 Massey Avenue, LLC	The Blossoms at Mountain View Assisted Living	Mountain View	AR	ALF	32	2028	12,548	100%	224,807	0.2%	17.92
706 Oak Grove Street, LLC	The Blossoms at Mountain View	Mountain View	AR	SNF	97	2028	31,586	100%	681,445	0.5%	21.57
8701 Riley Drive, LLC	The Blossoms at Woodland Hills	Little Rock	AR	SNF	140	2028	61,543	100%	983,530	0.7%	15.98
1516 Cumberland Street, LLC	The Blossoms at Cumberland	Little Rock	AR	SNF	120	2028	82,328	100%	843,025	0.6%	10.24
5720 West Markham Street, LLC	The Blossoms at Midtown	Little Rock	AR	SNF	154	2028	56,176	100%	1,081,883	0.8%	19.26
2501 John Ashley Drive, LLC	The Blossoms at North Little Rock	Little Rock	AR	SNF	140	2028	65,149	100%	983,530	0.7%	15.10
1513 South Dixieland Road, LLC	The Blossoms at Rogers	Rogers	AR	SNF	110	2028	32,962	100%	772,773	0.5%	23.44
826 North Street, LLC	The Blossoms at Stamps	Stamps	AR	SNF	94	2028	30,924	100%	660,370	0.5%	21.35
Master Lease Arkansas 2											
326 Lindley Lane, LLC	The Blossoms at Newport	Newport	AR	SNF	120	2029	49,675	100%	850,639	0.6%	17.12
2821 West Dixon Road, LLC	The Blossoms at West Dixon	Little Rock	AR	SNF	140	2029	42,825	100%	992,412	0.7%	23.17
2821 West Dixon Road, LLC	The Blossoms at West Dixon Assisted Living	Little Rock	AR	ALF	32	2029	7,557	100%	226,837	0.2%	30.02
552 Golf Links Road, LLC	The Blossoms at Hot Springs	Hot Springs	AR	SNF	152	2029	30,372	100%	1,077,476	0.8%	35.48
Master Lease Indiana 2											
8400 Clearvista Place LLC	The Waters of Castleton SNF, LLC	Indianapolis	IN	SNF	114	2034	41,400	100%	1,023,207	0.7%	24.72
524 Anderson Road LLC	The Waters of Chesterfield SNF, LLC	Chesterfield	IN	SNF	60	2034	21,900	100%	538,530	0.4%	24.59
640 West Ellsworth Street LLC	The Waters of Columbia City SNF, LLC	Columbia City	IN	SNF	84	2034	30,462	100%	753,942	0.5%	24.75
11563 West 300 South LLC	The Waters of Dunkirk SNF, LLC	Dunkirk	IN	SNF	46	2034	19,800	100%	412,873	0.3%	20.85
5544 East State Boulevard LLC	The Waters of Fort Wayne SNF, LLC	Ft. Wayne	IN	SNF	77	2034	31,500	100%	691,113	0.5%	21.94
548 South 100 West LLC	The Waters of Hartford City SNF, LLC	Hartford City	IN	SNF	65	2034	22,400	100%	583,407	0.4%	26.04
2901 West 37th Avenue LLC	The Waters of Hobart SNF, LLC	Hobart	IN	SNF	110	2034	43,854	100%	987,305	0.7%	22.51
1500 Grant Street LLC	The Waters of Huntington SNF, LLC	Huntington	IN	SNF	85	2034	44,957	100%	762,917	0.5%	16.97
787 North Detroit Street LLC	The Waters of LaGrange SNF, LLC	Lagrange	IN	SNF	100	2034	31,133	100%	897,550	0.6%	28.83

981	The Waters of											
Beechwood	Middletown											
Avenue LLC	SNF, LLC	Middletown	IN	SNF	60	2034	18,500	100%	538,530	0.4%	29.11	

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
317 Blair Pike LLC	The Waters of Peru SNF, LLC	Peru	IN	SNF	130	2034	60,230	100%	1,166,815	0.8%	19.37
815 West Washington Street LLC	The Waters of Rockport SNF	Rockport	IN	SNF	60	2034	25,000	100%	538,530	0.4%	21.54
612 East 11th Street LLC	The Waters of Rushville SNF	Rushville	IN	SNF	98	2034	16,572	100%	879,599	0.6%	53.08
505 West Wolfe Street LLC	The Waters of Sullivan SNF	Sullivan	IN	SNF	93	2034	15,600	100%	834,721	0.6%	53.51
500 East Pickwick Drive LLC	The Waters of Syracuse SNF	Syracuse	IN	SNF	66	2034	26,000	100%	592,383	0.4%	22.78
300 Fairgrounds Road LLC	The Waters of Tipton SNF	Tipton	IN	SNF	150	2034	30,970	100%	1,346,325	0.9%	43.47
1900 Alber Street LLC	The Waters of Wabash SNF East	Wabash	IN	SNF	84	2034	29,762	100%	753,942	0.5%	25.33
1720 Alber Street LLC	The Waters of Wabash SNF West	Wabash	IN	SNF	44	2034	12,956	100%	394,922	0.3%	30.48
300 North Washington Street LLC	The Waters of Wakarusa SNF	Wakarusa	IN	SNF	133	2034	48,000	100%	1,193,741	0.8%	24.87
8400 Clearvista Place LLC	The Waters of Castleton ALF, LLC	Indianapolis	IN	ALF	54	2034	43,900	100%	484,677	0.3%	11.04
787 North Detroit Street LLC	The Waters of LaGrange ALF, LLC	Lagrange	IN	ALF	17	2034	20,756	100%	152,583	0.1%	7.35
612 East 11th Street LLC	The Waters of Rushville ALF, LLC	Rushville	IN	ALF	29	2034	11,048	100%	260,289	0.2%	23.56
505 West Wolfe Street LLC	The Waters of Sullivan ALF, LLC	Sullivan	IN	ALF	32	2034	10,400	100%	287,216	0.2%	27.62
300 North Washington Street LLC	The Waters of Wakarusa ALF, LLC	Wakarusa	IN	ALF	61	2034	48,630	100%	547,505	0.4%	11.26
Master Lease Texas 1											
1621 Coit Road Realty, LLC	Landmark of Plano Nursing and Rehab	Plano	TX	SNF	160	2033	74,718	100%	723,520	0.5%	9.68
5601 Plum Creek Drive Realty, LLC	Landmark of Amarillo Nursing and Rehab	Amarillo	TX	SNF	99	2033	90,046	100%	447,678	0.3%	4.97
2301 North Oregon Realty, LLC	Grace Point Wellness Center	El Paso	TX	SNF	182	2033	19,895	100%	823,004	0.6%	41.37
Master Lease Tide Group											
2001 Avenue E, LLC	Community Care Center of Hondo	Hondo	TX	SNF	75	2035	18,572	100%	719,642	0.5%	38.75
1213 Water Street, LLC	Nursing and Rehabilitation	Kerrville	TX	SNF	179	2035	37,012	100%	1,717,544	1.2%	46.41
2808 Stoney Brook Drive, LLC	Oasis at Galleria	Houston	TX	SNF	112	2035	29,550	100%	1,074,665	0.8%	36.37
202 East Mill Street, LLC	Big Spring Care Center for Rehab and Healthcare	Humansville	MO	SNF	60	2035	20,111	100%	575,713	0.4%	28.63
631 West Main Street, LLC	Prairie Center for Rehab and Healthcare	Buffalo	MO	SNF	60	2035	21,587	100%	575,713	0.4%	26.67
18540 State Highway 16, LLC	Country Aire Retirement Center	Lewistown	MO	SNF	60	2035	24,222	100%	575,713	0.4%	23.77
1 Georgian Gardens Drive, LLC	Georgian Gardens Center for Rehab and	Potosi	MO	SNF	120	2035	38,973	100%	1,151,426	0.8%	29.54

2001 Jefferson Parkway, LLC	Healthcare Golden Years Center for Rehab and Healthcare	Harrisonville	MO	SNF	132	2035	41,407	100%	1,266,569	0.9%	30.59
800 South White Oak, LLC	Marshfield Care Center for Rehab and Healthcare	Marshfield	MO	SNF	74	2035	23,905	100%	710,046	0.5%	29.70

Lessor/ Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
501 S Monroe St, LLC	Oregon Care Center	Oregon	MO	SNF	60	2035	19,966	100%	575,713	0.4%	28.83
1531 Nebraska St, LLC	Tiffany Heights	Mound City	MO	SNF	60	2035	19,947	100%	575,713	0.4%	28.86
Master Lease Missouri											
11515 Troost Avenue LLC	Bridgewood Health Care Center	Kansas City	MO	SNF	166	2040	75,045	100%	1,453,833	1.0%	19.37
902 Manor Drive LLC	Chariton Park Healthcare Center	Salisbury	MO	SNF	120	2040	33,675	100%	1,050,963	0.7%	31.21
11400 Mehl Avenue LLC	Crestwood Health Care Center	Florissant	MO	SNF	150	2040	39,346	100%	1,313,704	0.9%	33.39
1622 East 28th Street LLC	Eastview Manor Care Center	Trenton	MO	SNF	90	2040	24,667	100%	788,222	0.6%	31.95
2800 Hwy TT LLC	Four Seasons Living Center	Sedalia	MO	SNF	239	2040	112,191	100%	2,093,169	1.5%	18.66
52435 Infirmary Road LLC	Milan Healthcare Center	Milan	MO	SNF	100	2040	27,425	100%	875,803	0.6%	31.93
2041 Silva Lane LLC	North Village Park	Moberly	MO	SNF	183	2040	22,500	100%	1,602,719	1.1%	71.23
649 South Walnut LLC	St. Elizabeth Care Center	St. Elizabeth	MO	SNF	63	2040	20,927	100%	551,756	0.4%	26.37
1300 County Farm Road, LLC	Cassville Health Center for Rehab and Healthcare	Cassville	MO	SNF	60	2040	21,000	100%	525,482	0.4%	25.02
2350 Kanell Boulevard, LLC	Cedargate Healthcare	Poplar Bluff	MO	SNF	124	2040	31,536	100%	1,085,995	0.8%	34.44
Master Lease Kansas											
520 E Morse Avenue LLC	Advena Living of Bonner Springs	Bonner Springs	KS	SNF	45	2034	13,456	100%	349,745	0.2%	25.99
440 N 4th Street LLC	Clearwater Assisted and Independent Living	Clearwater	KS	SNF	46	2034	20,260	100%	357,518	0.3%	17.65
620 Wood Avenue LLC	Advena Living of Clearwater	Clearwater	KS	ALF	55	2034	25,577	100%	427,467	0.3%	16.71
601 N Rose Hill Road LLC	Advena Living of Fountainview	Rose Hill	KS	SNF	68	2034	33,360	100%	528,504	0.4%	15.84
2015 SE 10th Avenue LLC	Advena Living on 10th	Topeka	KS	SNF	60	2034	22,877	100%	466,327	0.3%	20.38
1600 S Woodlawn Boulevard LLC	Advena Living of Woodlawn	Wichita	KS	SNF	80	2034	29,164	100%	621,770	0.4%	21.32
Master Lease Oklahoma											
103 Har-Ber Road LLC	Grand Lake Villa	Grove	OK	SNF	100	2035	31,691	100%	675,357	0.5%	21.31
2400 Whites Meadow Drive, LLC	Harrah Nursing Center	Harrah	OK	SNF	100	2035	37,136	100%	675,357	0.5%	18.19
701 S. 8th St, LLC	McLoud Nursing	McLoud	OK	SNF	80	2035	11,370	100%	540,286	0.4%	47.52
1400 South Main Street, LLC	Betty Ann Nursing	Grove	OK	SNF	60	2035	15,340	100%	405,214	0.3%	26.42
Individual Leases											
Ambassador Nursing Realty, LLC	Ambassador Nursing and Rehab, LLC	Chicago	IL	SNF	190	2031	37,100	100%	1,005,313	0.7%	27.10

Momence Meadows Realty, LLC	Momence Meadows Nursing & Rehab Center, LLC	Momence	IL	SNF	140	2025	37,139	100%	1,038,000	0.7%	27.95
Lincoln Park Holdings, LLC	Lakeview Rehab and Nursing center, LLC	Chicago	IL	SNF	178	2031	34,362	100%	1,260,000	0.9%	36.67
Continental Realty, LLC	Continental Nursing and Rehab, LLC	Chicago	IL	SNF	208	2031	53,653	100%	1,575,348	1.1%	29.36

Lessor/Company Subsidiary	Manager/ Tenant/ Operator (1)	City	State	Property type	Number of licensed beds	Tenant Lease Expiration Year (2)	Rentable square feet	Percent leased	Annualized Lease Income	% of total Annualized Lease Income	Annualized lease income per SQF
Westshire Realty, LLC	City View Multi care Center LLC	Cicero	IL	SNF	485	2025	124,020	100%	1,082,928	0.8%	8.73
Belhaven Realty, LLC	Belhaven Nursing and Rehab, LLC	Chicago	IL	SNF	221	2031	60,000	100%	2,134,570	1.5%	35.58
West Suburban Nursing Realty, LLC	West Suburban Nursing & Rehab Center, LLC	Bloomington	IL	SNF	259	2027	70,314	100%	1,961,604	1.4%	27.90
Niles Nursing Realty, LLC	Niles Nursing & Rehab, LLC	Niles	IL	SNF	304	2031	46,480	100%	2,409,998	1.7%	51.85
Midway Neurological and Rehab Realty, LLC	Midway Neurological and Rehab Center, LLC	Bridgeview	IL	SNF	404	2031	120,000	100%	2,547,713	1.7%	21.23
516 West Frech St, LLC	Parker Nursing and Rehab, LLC	Streator	IL	SNF	102	2031	24,979	100%	498,351	0.3%	19.95
4343 Kennedy Drive, LLC	Hope Creek Nursing and Rehabilitation Center, LLC	East Moline	IL	SNF	245	2030	104,000	100%	478,959	0.3%	4.61
1585 Perry Worth Rd, LLC	Waters of Lebanon LLC	Lebanon	IN	SNF	64	2027	32,650	100%	116,678	0.1%	3.57
2301 North Oregon Realty, LLC	Specialty Hospital Management	El Paso	TX	LTACH	32	2029	24,660	100%	-	0.0%	-
9209 Dollarway Road, LLC	The Blossoms at White Hall	White Hall	AR	SNF	120	2029	45,771	100%	843,022	0.6%	18.42
9300 Ballard Rd Realty, LLC	Zahav of Des Plaines	Des Plaines	IL	SNF	231	2033	70,556	100%	1,302,479	0.9%	18.46
8200 National Ave Realty, LLC	Midwest City Post Acute and Rehab	Midwest City	OK	SNF	106	2032	39,789	100%	510,000	0.3%	12.82
Total/Average					15,602	2032	5,327,707	100%	142,675,460	100.0%	29.11

(1) The tenant and the operator are the same for each facility other than the 40 SNF's leased under the two Indiana master lease agreements and six SNF's leased in Texas. In the case of these other facilities, the tenants are county hospitals which have entered into management agreements with the operators listed in the table. These arrangements permit the facilities to participate in a CMS program that pays higher Medicaid reimbursement rates for facilities associated with hospitals in underserved areas.

(2) The expiration dates do not reflect the exercise of any renewable options.

Related Party Tenants

As of December 31, 2025, we leased 66 of our facilities to tenants that are affiliates of: (i) Moishe Gubin who serves as Chairman of the Board and our Chief Executive Officer and (ii) Michael Blisko, who serves as one of our directors. As of December 31, 2025, approximately 48.5% of our annualized base rent is received from such related-party tenants. The failure of these tenants to fulfill their obligations under their leases or renew their leases upon expiration could have a material adverse effect on our business, financial condition and results of operations.

Rental income from leases with these related party tenants represented 48.5% of all rental income for the year ended December 31, 2025. We believe these affiliated relationships provide a strong alignment of interests between us and our tenants and offers us increased operating flexibility with regards to potentially replacing underperforming tenants or evaluating acquisitions in new states. As we continue to grow and expand our portfolio, we intend to develop new relationships with unrelated party tenants and operators in order to diversify our tenant base and reduce our dependence on related party and operators.

The following table contains information regarding tenant/operators that are related parties of the Company as December 31, 2025:

Manager/Tenant/Operators that are Related Parties			
Lessor/Company Subsidiary	Manager/Tenant/Operator	Beneficial Owner Percentage in Tenant/Operator by Related Party	
		Moishe Gubin/Gubin Enterprises LP	Michael Blisko/Blisko Enterprises LP
Master Lease Indiana 1			
1020 West Vine Street Realty, LLC	The Waters of Princeton II LLC	49.49%	50.51%
12803 Lenover Street Realty LLC	The Waters of Dillsboro – Ross Manor II LLC	49.49%	50.51%
1350 North Todd Drive Realty, LLC	The Waters of Scottsburg II LLC	49.49%	50.1%
1600 East Liberty Street Realty LLC	The Waters of Covington II, LLC	49.49%	50.51%
1601 Hospital Drive Realty LLC	The Waters of Greencastle II LLC	49.49%	50.51%
1712 Leland Drive Realty, LLC	The Waters of Huntingburg II LLC	49.49%	50.51%
2055 Heritage Drive Realty LLC	The Waters of Martinsville II LLC	49.49%	50.51%
3895 South Keystone Avenue Realty LLC	The Waters of Indianapolis II LLC	49.49%	50.51%
405 Rio Vista Lane Realty LLC	The Waters of Rising Sun II LLC	49.49%	50.51%
950 Cross Avenue Realty LLC	The Waters of Clifty Falls II LLC	49.49%	50.51%
958 East Highway 46 Realty LLC	The Water of Batesville II LLC	49.24%	50.51%
2400 Chateau Drive Realty, LLC	The Waters of Muncie II LLC	49.49%	50.51%
The Big H2O, LLC	The Waters of New Castle II LLC	49.49%	50.51%
1316 North Tibbs Avenue Realty LLC	Westpark A Waters Community, LLC	50.00%	50.00%
1002 Sister Barbara Way, LLC	The Waters of Georgetown LLC	49.49%	50.51%
2640 Cold Spring Road Realty, LLC	Alpha, A Waters Community, LLC	49.49%	50.51%
Master Lease Tennessee 1			
115 Woodlawn Drive, LLC	Lakebridge, a Waters Community, LLC	50.00%	50.00%
146 Buck Creek Road, LLC	The Waters of Roan Highlands, LLC	50.00%	50.00%
704 5 TH Avenue East, LLC	The Waters of Springfield, LLC	50.00%	50.00%
2501 River Road, LLC	The Waters of Cheatham, LLC	50.00%	50.00%
202 Enon Springs Road East, LLC	The Waters of Smyrna, LLC	50.00%	50.00%
140 Technology Lane, LLC	The Waters of Johnson City, LLC	50.00%	50.00%
835 Union Street, LLC	The Waters of Shelbyville, LLC	50.00%	50.00%
1340 North Grundy Quarles Highway, LLC	Waters of Gainesboro, LLC	50.00%	50.00%
100 Netherland Lane, LLC	Waters of Kingsport, LLC	50.00%	50.00%
2648 Sevierville Road, LLC	Waters of Maryville, LLC	50.00%	50.00%
Master Lease Tennessee 2			
505 North Roan Street, LLC	Agape Rehabilitation & Nursing Center, A Water’s Community, LLC	50.00%	50.00%
14510 Highway 79, LLC	Waters of McKenzie, A Rehabilitation & Nursing Center, LLC	50.00%	50.00%
6500 Kirby Gate Boulevard, LLC	Waters of Memphis, A Rehabilitation & Nursing Center, LLC	50.00%	50.00%
978 Highway 11 South, LLC	Waters of Sweetwater, A Rehabilitation & Nursing Center, LLC	50.00%	50.00%
2830 Highway 394, LLC	Waters of Bristol, A Rehabilitation & Nursing Center, LLC	50.00%	50.00%
Master Lease Indiana 2			
8400 Clearvista Place LLC	The Waters of Castleton SNF, LLC	50.00%	50.00%
524 Anderson Road LLC	The Waters of Chesterfield SNF, LLC	50.00%	50.00%
640 West Ellsworth Street LLC	The Waters of Columbia City SNF, LLC	50.00%	50.00%
11563 West 300 South LLC	The Waters of Dunkirk SNF, LLC	50.00%	50.00%
5544 East State Boulevard LLC	The Waters of Fort Wayne SNF, LLC	50.00%	50.00%
548 South 100 West LLC	The Waters of Hartford City SNF, LLC	50.00%	50.00%
2901 West 37th Avenue LLC	The Waters of Hobart SNF, LLC	50.00%	50.00%
1500 Grant Street LLC	The Waters of Huntington SNF, LLC	50.00%	50.00%
787 North Detroit Street LLC	The Waters of LaGrange SNF, LLC	50.00%	50.00%
981 Beechwood Avenue LLC	The Waters of Middletown SNF, LLC	50.00%	50.00%
317 Blair Pike LLC	The Waters of Peru SNF, LLC	50.00%	50.00%
815 West Washington Street LLC	The Waters of Rockport SNF	50.00%	50.00%
612 East 11th Street LLC	The Waters of Rushville SNF	50.00%	50.00%
505 West Wolfe Street LLC	The Waters of Sullivan SNF	50.00%	50.00%
500 East Pickwick Drive LLC	The Waters of Syracuse SNF	50.00%	50.00%
300 Fairgrounds Road LLC	The Waters of Tipton SNF	50.00%	50.00%
1900 Alber Street LLC	The Waters of Wabash SNF East	50.00%	50.00%
1720 Alber Street LLC	The Waters of Wabash SNF West	50.00%	50.00%
300 North Washington Street LLC	The Waters of Wakarusa SNF	50.00%	50.00%
8400 Clearvista Place LLC	The Waters of Castleton ALF, LLC	50.00%	50.00%
787 North Detroit Street LLC	The Waters of LaGrange ALF, LLC	50.00%	50.00%
612 East 11th Street LLC	The Waters of Rushville ALF, LLC	50.00%	50.00%
505 West Wolfe Street LLC	The Waters of Sullivan ALF, LLC	50.00%	50.00%
300 North Washington Street LLC	The Waters of Wakarusa ALF, LLC	50.00%	50.00%
Individual Leases			
Ambassador Nursing Realty, LLC	Ambassador Nursing and Rehabilitation Center II, LLC	40.00%	40.00%
Momence Meadows Realty, LLC	Momence Meadows Nursing and Rehabilitation Center, LLC	50.00%	50.00%
Lincoln Park Holdings, LLC	Lakeview Rehabilitation and Nursing Center, LLC	40.00%	40.00%
Continental Nursing Realty, LLC	Continental Nursing and Rehabilitation Center, LLC	40.00%	40.00%
Westshire Nursing Realty, LLC	City View Multicare Center LLC	50.00%	50.00%
Belhaven Realty, LLC	Belhaven Nursing and Rehabilitation Center, LLC	50.00%	50.00%
West Suburban Nursing Realty, LLC	West Suburban Nursing and Rehabilitation Center, LLC	40.00%	40.00%
Niles Nursing Realty LLC	Niles Nursing & Rehabilitation Center, LLC	50.00%	50.00%

Midway Neurological and Rehabilitation Realty, LLC	Midway Neurological and Rehabilitation Center, LLC	50.00%	50.00%
516 West Frech Street, LLC	Parker Rehab & Nursing Center, LLC	50.00%	50.00%
1585 Perry Worth Road LLC	The Waters of Lebanon LLC	50.00%	50.00%

We monitor the creditworthiness of our tenants by evaluating the ability of the tenants to meet their lease obligations to us based on the tenants' financial performance, including the evaluation of any guarantees of tenant lease obligations. The primary basis for our evaluation of the credit quality of our tenants (and more specifically the tenants' ability to pay their rent obligations to us) is the tenants' lease coverage ratios. These coverage ratios compare (i) earnings before interest, income taxes, depreciation, amortization and rent ("EBITDAR") to rent coverage, and (ii) earnings before interest, income taxes, depreciation, amortization, rent and management fees ("EBITDARM") to rent coverage. We utilize a standardized 5% management fee when we calculate lease coverage ratios. We obtain various financial and operational information from our tenants each month. We regularly review this information to calculate the above-described coverage metrics, to identify operational trends, to assess the operational and financial impact of the changes in the broader industry environment (including the potential impact of government reimbursement and regulatory changes), and to evaluate the management and performance of the tenants' operations. These metrics help us identify potential areas of concern relative to our tenants' credit quality and ultimately the tenants' ability to generate sufficient liquidity to meet their ongoing obligations, including their obligations to continue paying contractual rents due to us and satisfying other financial obligations to third parties, as prescribed by our triple-net leases.

Geographic Diversification

As of December 31, 2025, our portfolio of 143 facilities is broadly diversified by geographic location across ten U.S. states, comprising Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas.

The following table contains information regarding our healthcare facility portfolio by geography, as of December 31, 2025:

State	Number of Properties	Facility Type	Licensed Bed Count	Annualized Average Base Rent (Amounts in \$000s)	% of Total Annualized Average Base Rent
Indiana	36	36 SNFs 5 ALFs	3,404	\$ 35,914	25.2%
Kentucky	10	10 SNFs 1 ALF	1,163	26,048	18.3%
Illinois	20	20 SNFs	4,226	22,463	15.7%
Tennessee	15	15 SNFs 1 ALF	1,412	17,782	12.5%
Missouri	18	18 SNFs	1,921	17,348	12.2%
Arkansas	13	12 SNFs 2 ALFs	1,568	11,044	7.7%
Texas	6	5 SNFs 1 LTACH	839	5,506	3.9%
Oklahoma	5	5 SNFs 1 LTACH	477	2,955	2.1%
Kansas	6	5 SNFs 1 ALF	354	2,751	1.9%
Ohio	4	4 SNFs	238	864	0.6%
Totals	133	131 SNFs 10 ALFs 2 LTACHs	15,602	\$ 142,675	100.0%

Competitive Strengths

We believe that the following competitive strengths provide a solid foundation for the sustained growth of our business and successful execution of our business strategies:

Diversified Portfolio. We have a portfolio that is diversified in terms of both geography and tenant composition. As of December 31, 2025, our portfolio is comprised of 133 healthcare-related properties with a total of 15,602 licensed beds located throughout Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. We believe that our geographic diversification limits the potential impact of any regulatory, reimbursement, competitive dynamic or other changes in any single market on the overall performance of our portfolio. We lease our properties to 143 tenants, with no single tenant accounting for more than 4.0% of our annualized base rent. This diversification limits our exposure for any single tenant that encounters financial or operational difficulties.

Protected Markets. In nine of the ten states in which we operate, we benefit from CON laws that require state approval for the construction and expansion of certain types of healthcare facilities. These laws represent significant barriers to entry and limit competition in these markets.

Demonstrated Ability to Identify and Structure Accretive Acquisition Opportunities. Our management team has long-standing relationships in the skilled nursing and post-acute industries. Through their experience in acquiring these types of facilities, we have the proven ability to identify and complete complex and accretive transactions. Additionally, because many of our acquisitions are off-market opportunities sourced through our management team's network of industry relationships, we believe we do not typically compete with larger healthcare-focused real estate companies for acquisitions as they tend to focus on larger, platform acquisition opportunities. As a result, we have consistently acquired assets at attractive valuations and believe we can continue to identify these types of opportunities to expand our portfolio.

Significant Experience Acquiring Underperforming Assets. Although we primarily seek to acquire properties that have had consistent profitability, we may also acquire underperforming properties if we believe that the underlying facilities can become successful through better management. Our management team's prior experience as operators gives it the ability to evaluate these types of facilities and their potential for improved revenue enhancement and increased operating efficiencies. We will consider the acquisition of underperforming properties if they are available at attractive valuations and provide us with significant upside potential once their new operators have successfully stabilized and optimized their operations. If we acquire underperforming properties, we would expect to lease them to tenants and operators that have significant turnaround experience and support from experienced consultants.

Experienced and Adept Operators. We have strong and long-standing relationships with operators and their principals who have significant experience in operating successful skilled nursing facilities. These operators and their principals have a strong track record of operating in challenging markets where operators are subject to increased regulatory issues and significant competition. Additionally, these operators and their principals have learned to successfully operate facilities in which most of the revenue is earned from providing services to patients covered by Medicaid which are subject to lower reimbursement rates than other revenue sources.

Consulting Firms Provide Additional Resources for the Operators of our Facilities. Most of the operators of our facilities utilize the services of experienced healthcare consulting firms to provide them with expert advice and assistance with their operations. We believe these consulting firms provide the operators with additional expertise and resources that materially enhance their ability to operate efficiently and to meet applicable regulatory requirements.

Close Relationships with Tenants, Operators and Consultants Provide Enhanced Oversight, Market Intelligence and Strong Alignment of Interests. The nature of our close relationships with the tenants and operators of our properties and their consulting firms allows us to maintain close communication and obtain early knowledge of potential issues faced by our tenants, enabling us to address those issues that affect us as the lessor. These relationships also provide us with intelligence on the markets in which we own properties and assistance in locating new and replacement tenants. Additionally, the consulting firms assist us without charge in evaluating potential acquisitions and operators. This assistance provides us with insight into local market trends, which is particularly valuable for new markets. These relationships also provide a strong alignment of interests between our interests as a property owner and our tenants' interests.

Well-Structured, Long-Term, Triple-Net Leases Generate Predictable and Growing Rental Income Streams. Most of our owned properties are leased to tenants under long-term, non-cancellable, triple-net leases, pursuant to which the tenants are responsible for all maintenance and repairs, insurance and taxes associated with the leased properties and the business conducted at the properties. As of December 31, 2025, 100% of the gross leasable area of our facilities was leased with an average remaining lease term of 7.2 years. Our leases generally have an initial term of 10 years with two five-year extensions, and annual rent escalators of 1% to 3% per year, which provides us with a steady and growing cash rental stream. Additionally, our leases are structured to provide us with key credit support and have credit enhancement provisions that may include non-refundable security deposits of up to 6 months, personal and corporate guarantees and cross-default provisions under our master leases. Approximately 89.4% of our total annualized rental revenue is generated through our 16 master leases that have cross-default and cross-collateralization provisions.

Seasoned Management Team with Significant Experience. Moishe Gubin, our Chairman and Chief Executive Officer, has over 25 years of operating and real estate experience in the skilled nursing and long-term care industries. Prior to founding the Predecessor Company, Mr. Gubin worked as an operator of skilled nursing facilities and built a strong operational knowledge base that has been incorporated into the day-to-day management of our current portfolio. Additionally, Mr. Gubin has significant acquisition experience having completed over 140 healthcare-related facilities with an aggregate investment amount of over \$1.6 billion since 2003. Mr. Gubin also has significant experience accessing debt capital markets to fund growth, having raised over \$500 million of publicly traded bonds that are listed on the Tel Aviv Stock Exchange. We believe that the diverse operational and financial background and expertise of our management team gives us the ability to successfully manage our portfolio and sustain our growth.

Our Business and Growth Strategies

Our objective is to generate attractive returns for our stockholders over the long term through dividends and capital appreciation. Key elements of our strategy include the following:

Acquire Additional Healthcare Properties in Concentrated Geographic Areas. We plan to invest primarily in real estate used as skilled nursing facilities and other healthcare facilities that provide services to the elderly, where our management team has substantial experience and relationships. We believe these facilities have the potential to provide higher risk-adjusted returns compared to other forms of net-leased real estate assets due to the specialized expertise necessary to acquire, own, finance and manage these properties, which are factors that tend to limit competition among investors, owners, operators and finance companies. We will seek to acquire properties in states where we believe we can build regional density in order to create competitive advantages and drive operational and cost efficiencies.

Negotiate Well-Structured Net Leases. Our primary ownership structure is a facility purchase with a long-term triple-net lease with the healthcare operator. We seek to structure our leases with initial lease terms of 10 years with tenant options to extend the lease for an additional period of 5 to 10 years and rent escalators that provide a steadily growing cash rental stream. Our lease structures are designed to provide us with credit support for our rents, including, in certain cases, lease deposits, covenants regarding liquidity, and various provisions for cross-default. We believe these features help insulate us from variability in operator cash flows and enable us to minimize our expenses while we continue to build our portfolio.

Leverage Existing and Develop New Operator Relationships. The Company has cultivated relationships in the healthcare industry through which we have sourced our existing portfolio, and we intend to continue to expand our portfolio by leveraging these existing relationships. Sixty-seven of our properties are leased to related parties. One of our goals is to reduce our dependence on related party tenants in order to diversify our tenant base. Although we expect to continue to lease properties to related party tenants in markets in which the related party tenants have substantial experience and operations, we intend to lease properties in other markets to unrelated tenants if we are able to identify qualified operators. Additionally, we will consider leasing properties to unrelated parties in markets in which related parties operate if we are able to identify qualified operators that are willing to lease properties on terms that are no less favorable than those available from related parties.

Utilize Prudent Investment Underwriting Criteria. We have adopted what we believe to be a thorough investment underwriting process based on careful analysis and due diligence with respect to both the healthcare real estate and the healthcare service operations. We seek to make investments in healthcare properties that have the following attributes: well-located, visible to traffic, in good physical condition with predictable future capital improvement needs and with attractive prospects for future profitability.

Monitor the Performance of our Facilities and Industry Trends. We carefully monitor the financial and operational performance of our tenants and of the specific facilities in which we invest through a variety of methods, such as reviews of periodic financial statements, and regular meetings with the facility operators. Pursuant to the terms of our leases, our tenants are required to provide us with certain periodic financial statements and operating data.

Utilize Targeted Leverage in Our Investing Activities. We seek to utilize a targeted level of leverage that is appropriate in light of market conditions, future cash flows, the creditworthiness of tenants and future rental rates. We will seek to achieve a ratio of debt to asset fair market value in the range of 45% to 55%. However, our charter and bylaws do not limit the amount of debt that we may incur and our board of directors has not adopted a policy limiting the total amount of our borrowings.

Policy for the Acquisition and Sale of Properties

In considering these performance targets, readers should bear in mind that targeted performance for each acquisition is not a guarantee, projection, forecast or prediction and is not necessarily indicative of future results. These performance targets are as of the date hereof and may change in the future. The performance targets are based on an assumption that economic, market and other conditions will not deteriorate and, in some cases, will improve. These performance targets are also based on estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns of our investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which targeted returns are based. We believe the performance targets are reasonable, but readers should keep in mind that this investment involves a high degree of risk and they should purchase these securities only if they can afford a complete loss of their investment.

We believe our management team's depth of experience in healthcare real estate, operations and finance provides us with unique perspective in underwriting potential investments. Our real estate underwriting process focuses on both real estate and healthcare operations. The process includes a detailed analysis of the facility and the financial strength and experience of the tenant and its management. Key factors that we consider in the underwriting process include the following:

- the current, historical and projected cash flow and operating margins of each tenant and at each facility;
- the ratio of our tenants' operating earnings both to facility rent and to facility rent plus other fixed costs, including debt costs;
- the quality and experience of the tenant and its management team;
- construction quality, condition, design and projected capital needs of the facility and property condition assessments;
- competitive landscape;
- drivers of healthcare-related needs;
- the location of the facility;
- local economic and demographic factors and the competitive landscape of the market;
- licensure and accreditation;
- the effect of evolving healthcare legislation and other existing and future regulations and compliance with such regulations on our tenants' profitability and liquidity; and
- the payor mix of private, Medicare and Medicaid patients at the facility.

We also require tenants to furnish property and operator-level financials, among other data, on a monthly basis; we evaluate individual and portfolio property performance, liquidity metrics, lease and debt coverage, occupancy, planned capital expenditures, and other measures; and we conduct in- person visits to each facility in the portfolio at least two times per year. We believe our underwriting process enables us to acquire desirable properties with strong tenants that will support our ability to deliver attractive risk-adjusted returns to our stockholders.

The policy does not limit the authority of our board of directors to change or deviate from the policy as it sees fit from time to time. Changes to the policy do not require stockholder approval.

Our management does not have a fixed policy relating to the sale of properties. Accordingly, each potential sale opportunity will be examined on its merits in view of the business opportunity involved.

Our Leases

As of December 31, 2025, all of our healthcare properties were subject to lease agreements. Our leases have a weighted-average annualized lease income per leased square foot of \$26.78, and a weighted-average remaining lease term of approximately 7.2 years.

To our knowledge, except as noted below, none of our current tenants are in default under any of the leases.

Each of our properties is leased under a separate lease agreement, although 16 groups of properties, covering a total of 127 facilities, are subject to 16 master lease agreements. Each master lease agreement provides that the tenants under the master lease are jointly and severally liable for the obligations of all of the other tenants under such master lease. We entered into these master lease agreements in order to facilitate financing the underlying properties. Rental income under these master leases represents a substantial portion of our rental income.

The following table summarizes information concerning the master lease agreements as of December 31, 2025 (dollars in thousands):

Master Lease Agreements					
Master Lease Name	States	Facilities Count	GLA	Annualized Average Base Rent (\$000s)	% of Total Annualized Average Base Rent
Master Lease Indiana 1 ⁽¹⁾	IN	16	578,167	\$ 19,175	13.4%
Master Lease Indiana 2 ⁽¹⁾	IN	24	705,730	\$ 16,623	11.7%
Master Lease Central Illinois 1	IL	3	138,678	\$ 1,657	1.2%
Master Lease Central Illinois 2	IL	2	45,231	\$ 601	0.4%
Master Lease Landmark	TX/OK/IL	4	215,343	\$ 3,051	2.1%
Master Lease Ohio	OH	4	73,311	\$ 864	0.6%
Master Lease Tennessee 1 ⁽¹⁾	TN	11	348,030	\$ 9,056	6.3%
Master Lease Tennessee 2 ⁽¹⁾	TN	5	185,344	\$ 8,726	6.1%
Master Lease Arkansas 1	AR	9	414,706	\$ 7,053	4.9%
Master Lease Arkansas 2	AR	4	130,429	\$ 3,147	2.2%
Master Lease Kentucky	KY	11	438,810	\$ 26,048	18.3%
Master Lease Missouri	MO	10	408,312	\$ 11,342	7.9%
Master Lease Kansas	KS	6	144,694	\$ 2,752	1.9%
Master Lease Texas	TX	3	55,584	\$ 1,994	1.4%
Master Lease Tide Group	MO/TX	11	408,312	\$ 9,518	6.7%
Master Lease Oklahoma	OK	4	95,537	2,296	1.6%
Total (16)		127	4,386,218	123,903	86.7%

(1) The tenants under the two master leases in Indiana and the two Tennessee master leases are affiliated with Moishe Gubin, who is our Chairman and Chief Executive Officer and Michael Blisko, who is one of our directors. See “Item 1. Business—Our Leases.”

The following table summarizes information concerning the lease agreements that are not subject to a master lease agreement as of December 31, 2025 (dollars in thousands):

Individual Leases					
Lessor	State	Facility Type	Rentable Sq. Ft.	Annualized Average Base Rent (\$000s)	% of Total Annualized Average Base Rent
Ambassador Nursing Realty, LLC	Illinois	SNF	37,100	\$ 1,005	0.7%
Momence Meadows Realty, LLC	Illinois	SNF	37,139	\$ 1,038	0.7%
Lincoln Park Holdings, LLC	Illinois	SNF	34,362	\$ 1,260	0.9%
Continental Nursing Realty, LLC	Illinois	SNF	53,653	\$ 1,575	1.1%
Westshire Nursing Realty, LLC	Illinois	SNF	124,020	\$ 1,082	0.8%
Belhaven Realty, LLC	Illinois	SNF	60,000	\$ 2,135	1.5%
West Suburban Nursing Realty, LLC	Illinois	SNF	70,314	\$ 1,962	1.4%
Niles Nursing Realty LLC	Illinois	SNF	46,480	\$ 2,410	1.7%
Midway Neurological and Rehabilitation Realty, LLC	Illinois	SNF	120,000	\$ 2,548	1.8%
516 West Frech Street, LLC	Illinois	SNF	24,979	\$ 498	0.4%
4343 Kennedy Drive, LLC	Illinois	SNF	104,000	\$ 479	0.3%
1585 Perry Worth Rd, LLC	Indiana	SNF	32,650	\$ 117	0.1%
9300 Ballard Rd Realty, LLC	Illinois	SNF	70,556	\$ 1,302	0.9%
2301 North Oregon Realty, LLC	Texas	LTACH	24,660	\$ -	-%
9209 Dollarway Road, LLC	Arkansas	SNF	45,771	\$ 843	0.6%
8200 National Ave Realty, LLC	Oklahoma	SNF	39,789	\$ 510	0.4%
Total (16)			925,473	\$ 18,764	13.3%

Investment and Financing Policies

Our properties are located in 10 states and we intend to continue to acquire properties in other states throughout the United States. Our investment objectives are to increase cash flow, provide quarterly cash dividends, maximize the value of our properties and acquire properties with cash flow growth potential. We intend to invest primarily in SNFs and seniors housing, including ALFs and we may determine in the future to expand our investments to include medical office buildings, long-term acute care hospitals and inpatient rehabilitation facilities. Although our portfolio currently consists primarily of owned real property, future investments may include first mortgages, mezzanine debt and other securities issued by, or joint ventures with, REITs or other entities that own real estate consistent with our investment objectives.

Competition

The market for making investments in healthcare properties is highly fragmented, and increased competition makes it more challenging for us to identify and successfully capitalize on opportunities that meet our investment objectives. In acquiring and leasing healthcare properties, we compete with private equity funds, real estate developers, REITs, other public and private real estate companies and private real estate investors, many of whom have greater financial resources than we have. We also face competition in leasing or subleasing available facilities to prospective tenants.

Regulation

Healthcare Regulatory Matters

The following discussion describes certain material healthcare laws and regulations that may affect our operations and those of our tenants/operators. Although there is presently no Federal regulation on the lessor itself from Federal government agencies that regulate and inspect the operators and no regulation of the lessor in the States in which we own real property, our tenants (the operators of skilled nursing facilities, long-term acute care hospitals and other healthcare providers) are subject to extensive federal, state and local government healthcare laws and regulations. These laws and regulations include requirements related to licensure, conduct of operations, ownership of the facilities operation, addition or expansion of facilities and services, prices for services, billing for services and the confidentiality and security of health-related information. Different properties within our portfolio may be more or less subject to certain types of regulation, some of which are specific to the type of facility or provider. These laws and regulations are wide-ranging and complex, may vary or overlap from jurisdiction to jurisdiction, and are subject frequently to change. Compliance with these regulatory requirements can increase operating costs and, thereby, adversely affect the financial viability of our tenants/operators' businesses. Our tenants/operators' failure to comply with these laws and regulations could adversely affect their ability to successfully operate our properties, or receive reimbursement for services rendered within them, which could negatively impact their ability to satisfy their contractual obligations to us. Our leases will require the tenants/operators to comply with all applicable laws, including healthcare laws.

Our tenants are subject directly to healthcare laws and regulations, because of the broad nature of some of these restrictions, such as the Anti-Kickback Statute discussed below. We intend for all of our business activities and operations to conform in all material respects with all applicable laws and regulations, including healthcare laws and regulations. We expect that the healthcare industry will continue to face increased regulation and pressure in the areas of fraud, waste and abuse, cost control, healthcare management and provision of services.

Healthcare Reform Measures. The Affordable Care Act changed how healthcare services are covered, delivered and reimbursed through expanded coverage of uninsured individuals, reduced growth in Medicare program spending, reductions in Medicare and Medicaid reimbursement, including but not limited to, Disproportionate Share Hospital, or DSH payments, and expanding efforts by governmental and private third party payors to tie reimbursement to quality and efficiency. In addition, the law reformed certain aspects of health insurance, contains provisions intended to strengthen fraud and abuse enforcement, and encourage the development of new payment models, including the creation of Accountable Care Organizations, or ACOs. The status of the Affordable Care Act is subject to substantial uncertainty due to proposals to terminate or modify its provisions. We are not able to predict the effect of such changes on our business since the nature of any changes is undetermined. However, any changes that result in a decrease in payments made on behalf of patients are likely to reduce the income that our tenants receive from the operation of facilities at our properties.

Sources of Revenue and Reimbursement. Our tenants and operators receive payments for patient services from the federal government under the Medicare program, state governments under their respective Medicaid or similar programs, managed care plans, private insurers and directly from patients. Medicare is a federal program that provides certain hospital and medical insurance benefits to persons age 65 and over, some disabled persons, persons with end-stage renal disease and persons with Lou Gehrig's Disease. Medicaid is a federal-state program, administered by the states pursuant to certain conditions imposed by the Federal government, which provides hospital and medical benefits to qualifying individuals who are unable to afford healthcare. Generally, revenues for services rendered to Medicare patients are determined under a prospective payment system, or PPS. CMS annually establishes payment rates for the PPS for each applicable facility type and level of care provided.

Amounts received under Medicare and Medicaid programs are generally significantly less than established facility gross charges for the services provided and may not reflect the provider's costs. Healthcare providers generally offer discounts from established charges to certain group purchasers of healthcare services, including private insurance companies, employers, health maintenance organizations, or HMOs, preferred provider organizations, or PPOs and other managed care plans. These discount programs generally limit a provider's ability to increase revenues in response to increasing costs. Patients are generally not responsible for the total difference between established provider gross charges and amounts reimbursed for such services under Medicare, Medicaid, HMOs, PPOs and other managed care plans, but are responsible to the extent of any exclusions, deductibles or coinsurance features of their coverage. The amount of such exclusions, deductibles and coinsurance continues to increase. Collection of amounts due from individuals is typically more difficult than from governmental or third-party payers takes considerably longer and often requires the involvement of, and payment to, third parties to collect.

Payments to providers are being increasingly tied to quality and efficiency. These initiatives include requirements to report clinical data and patient satisfaction scores, reduced Medicare payments to hospitals based on "excess" readmission rates as determined by CMS, denial of payments under Medicare, Medicaid and some private payors for services resulting from a hospital or facility-acquired condition, or HAC, and reduced Medicare payments to hospitals with high risk-adjusted HAC rates. Certain provider types, including, but not limited to, inpatient rehabilitation facilities and long-term acute care hospitals, are subject to specific limits and restrictions on eligibility for admissions which, in turn, affect reimbursement at these facilities.

The amounts of program payments received by our tenants/operators can be changed from time to time by legislative or regulatory actions and by determinations by agents for the programs. Level of payment has also been impacted by the Federal budget sequestration which automatically reduces payments as a result of funding limitations. The Medicare and Medicaid statutory framework is subject to administrative rulings, interpretations and discretion that affect the amount and timing of reimbursement made under Medicare and Medicaid. Federal healthcare program reimbursement changes may be applied retroactively under certain circumstances. In recent years, the federal government has enacted various measures to reduce spending under federal healthcare programs. In April 2018, CMS announced as part of its patient driven payment model ("PDPM") a skilled-nursing preferred payor system ("SNF-PPS") intended to reduce administrative burden, and foster innovation to improve care and quality for patients.

In addition, many states have enacted, or are considering enacting, measures designed to reduce their Medicaid expenditures and change private healthcare insurance, and states continue to face significant challenges in maintaining appropriate levels of Medicaid funding due to state budget shortfalls. Many States have also sought to control costs by implementing a variety of alternative care and payment models authorized under Federal Medicaid waivers and such models often impose new or enhanced administrative requirements on health care providers as a condition of payment. Further, non-government payers may reduce their reimbursement rates in accordance with payment reductions by government programs or for other reasons. Healthcare provider operating margins may continue to be under significant pressure due to the deterioration in pricing flexibility and payor mix, as well as increases in operating expenses that exceed increases in payments under the Medicare and Medicaid programs.

Anti-Kickback Statute. A section of the Social Security Act known as the “Anti-Kickback Statute” prohibits, among other things, the offer, payment, solicitation or acceptance of remuneration, directly or indirectly, in return for referring an individual to a provider of services for which payment may be made in whole or in part under a federal healthcare program, including the Medicare or Medicaid programs. Courts have interpreted this statute broadly and held that the Anti-Kickback Statute is violated if just one purpose of the remuneration is to generate referrals, even if there are other lawful purposes. The Affordable Care Act provides that knowledge of the Anti-Kickback Statute or specific intent to violate the statute is not required in order to violate the Anti-Kickback Statute. Violation of the Anti-Kickback Statute is a crime, punishable by fines of up to \$25,000 per violation, five years imprisonment, or both. Violations may also result in civil and administrative liability and sanctions, including civil penalties of up to \$50,000 per violation, liability under the False Claims Act, exclusion from participation in federal and state healthcare programs, including Medicare and Medicaid, and additional monetary penalties in amounts treble to the underlying remuneration.

There are a limited number of statutory exceptions and regulatory safe harbors for categories of activities deemed protected from prosecution under the Anti-Kickback Statute. Currently, there are statutory exceptions and safe harbors for various activities, including the following: certain investment interests, space rental, equipment rental, practitioner recruitment, personnel services and management contracts, sale of practice, referral services, warranties, discounts, employees, managed care arrangements, investments in group practices, freestanding surgery centers, ambulance replenishing and referral agreements for specialty services. The safe harbor for space rental arrangements requires, among other things, that the aggregate rental payments be set in advance, be consistent with fair market value and not be determined in a manner that takes into account the volume or value of any referrals. The fact that conduct or a business arrangement does not fall within a safe harbor does not necessarily render the conduct or business arrangement illegal under the Anti-Kickback Statute. However, such conduct and business arrangements may lead to increased scrutiny by government enforcement authorities.

Many states have laws similar to the Anti-Kickback Statute that regulate the exchange of remuneration in connection with the provision of healthcare services, including prohibiting payments to physicians for patient referrals. The scope of these state laws is broad because they can often apply regardless of the source of payment for care. These statutes typically provide for criminal and civil penalties, as well as potential loss of facility licensure and eligibility for reimbursement by government payors.

We intend to use commercially reasonable efforts to structure our arrangements, including any lease/operating arrangements involving facilities in which local physicians are investors, so as to satisfy, or meet as closely as possible, safe harbor requirements. The safe harbors are narrowly structured, and there are not safe harbors available for every type of financial arrangement that we or our tenants/operators may enter. Although it is our intention to fully comply with the Anti-Kickback Statute, as well as all other applicable state and federal laws, we cannot assure you that all of our arrangements or the arrangements of our tenants/operators will meet all the conditions for a safe harbor. There can be no assurance regulatory authorities enforcing these laws will determine our financial arrangements or the financial relationships of our tenants/operators comply with the Anti-Kickback Statute or other similar laws and such regulatory authorities or private qui tam relators bringing actions on behalf of government entities in exchange for a portion of any recovery may allege non-compliance and seek financial or other penalties.

Stark Law. The Social Security Act also includes a provision commonly known as the “Stark Law.” The Stark Law is a strict liability statute that prohibits a physician from making a referral to an entity furnishing “designated health services” paid by Medicare or Medicaid if the physician or a member of the physician’s immediate family has a financial relationship with that entity unless an exception to the law is met. Designated health services include, among other services, inpatient and outpatient hospital services, clinical laboratory services, physical therapy services and radiology services. The Stark Law also prohibits entities that provide designated health services from billing the Medicare and Medicaid programs for any items or services that result from a prohibited referral and requires the entities to refund amounts received for items or services provided pursuant to the prohibited referral. Sanctions for violating the Stark Law are imposed without consideration to intent and include denial of payment, civil monetary penalties of up to \$15,000 per prohibited service provided for failure to return amounts received in a timely manner, and exclusion from the Medicare and Medicaid programs. The statute also provides for a penalty of up to \$100,000 for a circumvention scheme. Failure to refund amounts received pursuant to a prohibited referral may also constitute a false claim and result in additional penalties under the False Claims Act, which is discussed in greater detail below.

There are exceptions to the self-referral prohibition for many of the customary financial arrangements between physicians and providers, including employment contracts, leases and recruitment agreements. There is also an exception for a physician's ownership interest in an entire hospital, as opposed to an ownership interest in a hospital department if such ownership interests and capacity were in place as of March 23, 2010. Unlike safe harbors under the Anti-Kickback Statute, an arrangement must comply with every requirement of a Stark Law exception, or the arrangement will be in violation of the Stark Law. Through a series of rulemakings, CMS has issued final regulations implementing the Stark Law. While these regulations were intended to clarify the requirements of the exceptions to the Stark Law, it is unclear how the government will interpret many of these exceptions for enforcement purposes and even an inadvertent failure to comply with the strict requirements, such as assuring a signature, can result in imposition of penalties under certain circumstances.

Although there is an exception for a physician's ownership interest in an entire hospital, the Affordable Care Act prohibits newly created physician-owned hospitals from billing for Medicare patients referred by their physician owners. As a result, the law effectively prevents the formation after December 31, 2010 of new physician-owned hospitals that participate in Medicare and Medicaid. While the Affordable Care Act grandfathers existing physician-owned hospitals, it does not allow these hospitals to increase the percentage of physician ownership and significantly restricts their ability to expand services.

Many states also have laws similar to the Stark Law that prohibit certain self-referrals. The scope of these state laws is broad because they can often apply regardless of the source of payment for care, and little precedent exists for their interpretation or enforcement. These statutes typically provide for criminal and civil penalties, as well as loss of facility licensure.

Although our lease agreements will require tenants to comply with the Stark Law, we cannot offer assurance that the arrangements entered into by us or by our tenants/operators will be found to be in compliance with the Stark Law or similar state laws.

The False Claims Act. The federal False Claims Act prohibits knowingly making or presenting any false claim for payment to the federal government. The government may use the False Claims Act to prosecute Medicare and other government program fraud in areas such as coding errors, billing for services not provided, submitting false cost reports and failing to report and repay an overpayment within 60 days of identifying the overpayment or by the date a corresponding cost report is due, whichever is later. The False Claims Act defines the term "knowingly" broadly. Although simple negligence will not give rise to liability under the False Claims Act, submitting a claim with reckless disregard to its truth or falsity or failing to correct an error within specified period of time constitutes a "knowing" submission.

The False Claims Act contains qui tam, or whistleblower, provisions that allow private individuals to bring actions on behalf of the government alleging that the defendant has defrauded the federal government. Whistleblowers under the False Claims Act may collect a portion of the government's recovery, which serves as an incentive to bring claims which then must be defended whether or not they have merit. Every entity that receives at least \$5 million annually in Medicaid payments must have written policies for all employees, contractors or agents, providing detailed information about false claims, false statements and whistleblower protections under certain federal laws, including the False Claims Act, and similar state laws.

In some cases, whistleblowers and the federal government have taken the position, and some courts have held, that providers who allegedly have violated other statutes, such as the Anti-Kickback Statute and the Stark Law, have thereby submitted false claims under the False Claims Act. The Affordable Care Act clarifies this issue with respect to the Anti-Kickback Statute by providing that submission of claims for services or items generated in violation of the Anti-Kickback Statute constitutes a false or fraudulent claim under the False Claims Act. If a defendant is found liable under the False Claims Act, the defendant may be required to pay three times the actual damages sustained by the government, additional civil penalties of up to \$10,000 per false claim, plus reimbursement of the fees of counsel for the whistleblower.

Many states have enacted similar statutes preventing the presentation of a false claim to a state government, and we expect more to do so because the Social Security Act provides a financial incentive for states to enact statutes establishing state level liability.

Other Fraud & Abuse Laws. There are various other fraud and abuse laws at both the federal and state levels that cover false claims and false statements and these may impact our business. For example, the Civil Monetary Penalties law authorizes the imposition of monetary penalties against an entity that engages in a number of prohibited activities. The penalties vary by the prohibited conduct, but include penalties of \$10,000 for each item or service, \$15,000 for each individual with respect to whom false or misleading information was given, and treble damages for the total amount of remuneration claimed. The prohibited actions include, but are not limited to, the following:

- knowingly presenting or causing to be presented, a claim for services not provided as claimed or which is otherwise false or fraudulent in any way;
- knowingly giving or causing to be giving false or misleading information reasonably expected to influence the decision to discharge a patient;
- offering or giving remuneration to any beneficiary of a federal healthcare program likely to influence the receipt of reimbursable items or services; arranging for reimbursable services with an entity which is excluded from participation from a federal healthcare program; or knowingly or willfully soliciting or receiving remuneration for a referral of a federal healthcare program beneficiary.

Any violations of the Civil Monetary Penalties Law by management or our tenants/operators could result in substantial fines and penalties and could have an adverse effect on our business.

HIPAA Administrative Simplification and Privacy and Security Requirements. HIPAA, as amended by the HITECH Act, and its implementing regulations create a national standard for protecting the privacy and security of individually identifiable health information (called “protected health information”). Compliance with HIPAA is mandatory for covered entities, which include healthcare providers such as tenants/operators of our facilities. Compliance is also required for entities that create, receive, maintain or transmit protected health information on behalf of healthcare providers or that perform services for healthcare providers that involve the disclosure of protected health information, called “business associates.”

Covered entities must report a breach of protected health information that has not been secured through encryption or destruction to all affected individuals without unreasonable delay, but in any case, no more than 60 days after the breach is discovered. Notification must also be made to HHS and, in the case of a breach involving more than 500 individuals, to the media. In the final rule issued in January, 2013, HHS modified the standard for determining whether a breach has occurred by creating a presumption that any non-permitted acquisition, access, use or disclosure of protected health information is a breach unless the covered entity or business associate can demonstrate that there is a low probability that the information has been compromised, based on a risk assessment.

Covered entities and business associates are subject to civil penalties for violations of HIPAA of up to \$1.5 million per year for violations of the same requirement. In addition, criminal penalties can be imposed not only against covered entities and business associates, but also against individual employees who obtain or disclose protected health information without authorization. The criminal penalties range up to \$250,000 and up to 10 years imprisonment. In addition, state Attorneys General may bring civil actions for HIPAA violations, HHS must conduct periodic HIPAA compliance audits of covered entities and business associates. If any of our tenants/operators are subject to an investigation or audit and found to be in violation of HIPAA, such tenants/operators could incur substantial penalties, which could have a negative impact on their financial condition. Our tenants/operators may also be subject to more stringent state law privacy, security and breach notification obligations. Enforcement of HIPAA and the Health Information Technology for Economic and Clinical Health (HITECH) Act, which substantially augmented the requirements under HIPAA have become increasingly stringent and the penalties for non-compliance have become increasingly harsh.

Licensure, Certification and Accreditation. Healthcare property construction and operation are subject to numerous federal, state and local regulations relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, maintenance of adequate records, fire prevention, rate-setting and compliance with building codes and environmental protection laws. The requirements for licensure, certification and accreditation are subject to change and, in order to remain qualified, it may become necessary for our tenants/operators to make changes in their facilities, equipment, personnel and services.

Facilities in our portfolio will be subject to periodic inspection by governmental and other authorities to assure continued compliance with the various standards necessary for licensing and accreditation. We will require our healthcare properties to be properly licensed under applicable state laws. Except for provider types not eligible for participation in Medicare and Medicaid, we expect our tenant/operators to participate in the Medicare and Medicaid programs and, where applicable, to be accredited by an approved accrediting organization which is also often a requirement for Medicare certification. The loss of Medicare or Medicaid certification would result in our tenants/operators that operate Medicare/Medicaid-eligible providers from receiving reimbursement from federal healthcare programs. The loss of accreditation, where applicable, would result in increased scrutiny by CMS and likely the loss of payment from non-government payers which often condition participation and payment on participation in the Medicare program.

In some states, the construction or expansion of healthcare properties, the acquisition of existing facilities, the transfer or change of ownership and the addition of new beds or services may be subject to review by and prior approval of, or notifications to, state regulatory agencies under a Certificate of Need, or CON program. Such laws generally require the reviewing state agency to determine the public need for additional or expanded healthcare properties and services and have begun to expect some level of revenue from enforcement action in their budget planning. Some states in which we operate have also adopted limitations on the opening of new skilled nursing facilities. See "Item 1. Business – Skilled nursing facility industry Business in the United States." The requirements for licensure, certification and accreditation also include notification or approval in the event of the transfer or change of ownership or certain other changes. Further, federal programs, including Medicare, must be notified in the event of a change of ownership or change of information at a participating provider. Failure by our tenants/operators to provide required federal and state notifications, obtain necessary state licensure and CON approvals could result in significant penalties as well as prevent the completion of an acquisition or effort to expand services or facilities. We may be required to provide ownership information or otherwise participate in certain of these approvals and notifications.

Antitrust Laws. The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-skilled nursing facilities. These laws prohibit price fixing, concerted refusal to deal, market allocation, monopolization, attempts to monopolize, price discrimination, tying arrangements, exclusive dealing, acquisitions of competitors and other practices that have, or may have, an adverse effect on competition. Violations of federal or state antitrust laws can result in various sanctions, including criminal and civil penalties. Antitrust enforcement in the healthcare industry is currently a priority of the Federal Trade Commission and the Antitrust Division of the Department of Justice. We intend to operate so that we and our tenants/operators are in compliance with such federal and state laws, but future review by courts or regulatory authorities could result in a determination that could adversely affect the operations of our tenants/operators and, consequently, our operations. In addition to enforcement by Federal and State agencies, in an effort to control health care costs, private payors such as employee welfare benefit plans administered by or for employers or unions have become increasingly aggressive in bringing actions against providers alleging violations of antitrust laws.

Healthcare Industry Investigations. Significant media and public attention has focused in recent years on the healthcare industry. The federal government is dedicated to funding additional federal enforcement activities related to healthcare providers and preventing fraud and abuse. Our tenants/operators will engage in many routine healthcare operations and other activities that could be the subject of governmental investigations or inquiries. For example, our tenants/operators will likely have significant Medicare and Medicaid billings, numerous financial arrangements with physicians who are referral sources, and joint venture arrangements involving physician investors. In recent years, Congress and the States have increased the level of funding for fraud and abuse enforcement activities. It is possible that governmental entities could initiate investigations or litigation in the future and that such proceedings could result in significant costs and penalties, as well as adverse publicity. It is also possible that our executives could be included in governmental investigations or litigation or named as defendants in private litigation.

Governmental agencies and their agents, such as the Medicare Administrative Contractors, fiscal intermediaries and carriers, as well as the HHS-OIG, CMS and state Medicaid programs, may conduct audits of our tenants/operator's operations. Private payers may conduct similar post-payment audits, and our tenants/operators may also perform internal audits and monitoring. Many of these audits employ the use of statistical sampling and extrapolation whereby a small number of claims are reviewed but adverse results are applied against a provider's claims for long periods of time. Depending on the nature of the conduct found in such audits and whether the underlying conduct could be considered systemic such that results are extrapolated, the resolution of these audits which can often require substantial repayments could have a material, adverse effect on our portfolio's financial position, results of operations and liquidity.

Under the Recovery Audit Contractor, or RAC program, CMS contracts with RACs on a contingency basis to conduct post-payment reviews to detect and correct improper payments in the fee-for-service Medicare program, to managed Medicare plans and in the Medicaid program. CMS has also initiated a RAC prepayment demonstration program in 11 states. CMS also employs Medicaid Integrity Contractors, or MICs to perform post-payment audits of Medicaid claims and identify overpayments. In addition to RACs and MICs, the state Medicaid agencies and other contractors have increased their review activities. Aside from the costs associated with responding to a myriad of requests for substantiation of services, should any of our tenants/operators be found out of compliance with any of these laws, regulations or programs, our business, our financial position and our results of operations could be negatively impacted.

Environmental Matters

A wide variety of federal, state and local environmental and occupational health and safety laws and regulations affect healthcare property operations. These complex federal and state statutes, and their enforcement, involve a myriad of regulations, many of which involve strict liability on the part of the potential offender. Some of these federal and state statutes may directly impact us. Under various federal, state and local environmental laws, ordinances and regulations, an owner of real property or a secured lender, such as us, may be liable for the costs of removal or remediation of hazardous or toxic substances at, under or disposed of in connection with such property, as well as other potential costs relating to hazardous or toxic substances (including government fines and damages for injuries to persons and adjacent property). The cost of any required remediation, removal, fines or personal or property damages and the owner's or secured lender's liability therefore could exceed or impair the value of the property, and/or the assets of the owner or secured lender. In addition, the presence of such substances, or the failure to properly dispose of or remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral which, in turn, could reduce our revenues.

Prior to closing any property acquisition or loan, we ordinarily obtain Phase I environmental assessments in order to attempt to identify potential environmental concerns at the facilities. These assessments will be carried out in accordance with an appropriate level of due diligence and will generally include a physical site inspection, a review of relevant federal, state and local environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title and review of historic aerial photographs and other information on past uses of the property. We may also conduct limited subsurface investigations and test for substances of concern where the results of the Phase I environmental assessments or other information indicates possible contamination or where our consultants recommend such procedures.

Americans with Disabilities Act

Our properties must comply with Title III of the ADA to the extent that such properties are "public accommodations" as defined by the ADA. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. Many States and localities have similar requirements that are in addition to, and sometime more stringent than, Federal requirements. We believe the existing properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. However, noncompliance with the ADA or a comparable State or local requirement could result in imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have not yet made a decision as to whether we will take advantage of any or all of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find common stock less attractive as a result. The result may be a less active trading market for common stock and our stock price may be more volatile.

In addition, the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of the extended transition period for adopting new or revised accounting standards available to emerging growth companies.

We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year during which our total annual revenue equals or exceeds \$1.07 billion (subject to adjustment for inflation), (ii) the last day of the fiscal year following the fifth anniversary of the first sale of shares pursuant to a registration statement filed under the Securities Act, (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt or (iv) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act.

Human Capital Resource Management

As of December 31, 2025, we had 9 full-time employees. Our employees are primarily located at our corporate offices in Chicago and Florida. Our employees are not members of any labor union, and we consider our relations with our employees to be satisfactory.

We endeavor to maintain workplaces that are free from discrimination or harassment on the basis of color, race, sex, national origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression or any other status protected by applicable law. The basis for recruitment, hiring, development, training, compensation and advancement at the Company is qualifications, performance, skills and experience. We believe our employees are fairly compensated, and compensation and promotion decisions are made without regard to gender, race and ethnicity. Employees are routinely recognized for outstanding performance.

Insurance

We require our tenants to maintain general liability, professional liability, all risks and other insurance coverages and to name us as an additional insured under these policies. We believe that the policy specifications and insured limits are appropriate given the relative risk of loss, the cost of the coverage and industry practice.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with SEC. The SEC maintains an internet site that contains these reports, and other information about issuers, like us, which file electronically with the SEC. The address of that site is <http://www.sec.gov>. We make available our reports on Form 10-K, 10-Q, and 8-K (as well as all amendments to these reports), and other information, free of charge, on the Investor Relations section of our website at www.strawberryfieldsreit.com. The information found on, or otherwise accessible through, our website is not incorporated by reference into, nor does it form a part of, this report or any other document that we file with the SEC.

ITEM 1A. Risk Factors

Not applicable.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 1C. Cybersecurity

Our management recognizes the critical importance of addressing cybersecurity threats and risks to our business and operations. Therefore, we have established a comprehensive framework to assess and manage material risks arising from cybersecurity threats.

Our Information Security Officer (“ISO”) and the Cybersecurity Incident Response Team (“IRT”) are responsible for assessing and managing cybersecurity risks. The IRT is comprised of individuals with expertise in information security, technology, legal and risk management. The IRT monitors cybersecurity incidents and potential threats. It liaises with external cybersecurity experts and industry partners to stay current on emerging threats and best practices. The diverse expertise of the IRT members enables comprehensive risk assessment and swift responses to mitigate the potential impact of breaches or other cybersecurity incidents.

We actively engage consultants, outside counsel and other technology experts to enhance our cybersecurity risk management processes. We perform regular assessments and evaluations of the effectiveness of our cybersecurity measures. In addition to third party engagements, we maintain rigorous oversight of cybersecurity risks associated with our use of third party service providers. Vendor management processes are employed to evaluate vendors’ cybersecurity practices, assess risk position and implement measures to mitigate potential threats arising from these external relationships.

The Board of Directors has been designated to oversee cybersecurity risk management. Its members possess diverse expertise, which enables them to effectively evaluate the adequacy of our cybersecurity measures and challenge management’s approach when necessary. The Information Security Officer provides regular updates to our chief executive officer and Board of Directors on cybersecurity risks, ongoing initiatives, incidents, response activities and strategies. The Board of Directors acknowledges cybersecurity as a strategic risk and a priority for the Company. The Board of Directors is actively involved in the oversight of our cybersecurity risk management efforts, ensuring alignment with our overall business objectives.

We continuously strive to strengthen our cybersecurity measures to protect our systems and data from evolving threats. To date, cybersecurity incidents and risks have not materially affected us, including our business strategy, results of operations, or financial condition.

ITEM 2. Properties

As of the date of this Report, we hold fee title to 132 of these properties and hold one property under a long-term lease. These properties are located across Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. Our 133 properties comprise 143 healthcare facilities, consisting of the following:

- 131 stand-alone skilled nursing facilities;
- two dual-purpose facilities used as both skilled nursing facilities and long-term acute care hospitals; and
- 10 assisted living facilities.

Information regarding our properties as of December 31, 2025, are included in Item 15. “Exhibits and Financial Statement Schedules—Schedule III. Real Estate and Accumulated Depreciation” of this Annual Report on Form 10-K.

As of December 31, 2025, almost all of our properties are leased under long-term, triple-net leases. The following table displays the expiration of the annualized contractual cash rental income under our lease agreements as of December 31, 2025:

Year of Lease Expiration ⁽¹⁾	Number of Leases Facilities	Lease Expirations			Percentage of Total Annualized Base Rent	Annualized Base Rent Per Sq. Ft.
		GLA of Leases Expiring	Percent of Portfolio GLA	Annualized Base Rent		
2026	1	37,139	0.7%	1,038,000	0.7%	\$ 27.94
2027	2	102,964	1.9%	2,078,281	1.5%	\$ 20.18
2028	9	414,706	7.8%	7,053,312	4.9%	\$ 17.01
2029	6	200,860	3.8%	3,990,387	2.8%	\$ 19.87
2030	9	440,891	8.3%	9,440,457	6.6%	\$ 21.41
Thereafter	116	4,131,147	77.5%	119,075,022	83.5%	\$ 28.82
Total	143	5,327,707	100.0%	\$ 142,675,459	100.0%	\$ 26.80

(1) The year of each lease expiration is based on current contract terms.

ITEM 3. Legal Proceedings

We are not currently a party to any material legal proceedings, that are not covered by insurance and expected to be resolved within policy limits, other than the following:

In March 2020, Joseph Schwartz, Rosie Schwartz and certain companies owned by them filed a complaint in the U.S. District Court for the Northern District of Illinois against Moishe Gubin, Michael Blisko, the Predecessor Company and 21 of its subsidiaries, as well as the operators of 17 of the facilities operated at our properties. The complaint was related to the Predecessor Company's acquisition of 16 properties located in Arkansas and Kentucky that were completed between May 2018 and April 2019 and the attempt to purchase an additional five properties located in Massachusetts. The complaint was dismissed by the Court in 2020 on jurisdictional grounds. The plaintiffs did not file an appeal with respect to this action, and the time for an appeal has expired.

In August 2020, Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a second complaint in the Circuit Court in Pulaski County, Arkansas. The second complaint had nearly identical claims as the federal case, but was limited to matters related to the Predecessor Company's acquisition of properties located in Arkansas. The sellers, which were affiliates of Skyline Health Care, had encountered financial difficulties and requested the Predecessor Company to acquire these properties. The defendants have filed an answer denying the plaintiffs' claims and asserting counterclaims based on breach of contract. This case has been dismissed without prejudice. In April 2024, they filed yet another complaint in Arkansas, and this time dealing with the properties located in Arkansas, Kentucky and Massachusetts. There has been some motion practice where the Court dismissed some of the Plaintiff's remedies and claims.

In January 2021, Joseph Schwartz, Rosie Schwartz and certain companies owned by them filed a third complaint in Illinois state court in Cook County, Illinois, which has nearly identical claims to the initial federal case, but was limited to claims related to the Kentucky and Massachusetts properties. The complaint has not been properly served on any of the defendants, and, accordingly, the defendants did not respond to the complaint. Instead, the defendants filed a motion to quash service of process. On January 11, 2023, the Cook County Circuit Court entered an order granting such motion, quashing service of process on all defendants. In March 2023, the plaintiffs filed a new complaint and again attempted to serve it on the defendants. It is the defendants' position that service was (once again, potentially) defective and sought a dismissal of the matter for want of prosecution by Joseph Schwartz, Rosie Schwartz and certain companies owned by them. The dismissal was granted, but has been appealed to the Illinois Appellate Court, with no substantive movement on the matter to date. In April of 2024, Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a fourth complaint in the Circuit Court in Pulaski County, Arkansas. This fourth complaint had nearly identical claims as the federal case and the Illinois state court matter. In November 2024, the court dismissed all rescission claims, finding plaintiffs had an adequate remedy at law in the form of monetary damages, ordered dissolution of a lis pendens plaintiffs had filed against certain properties, and identified additional pleading deficiencies in the complaint. The court granted plaintiffs leave to amend, and plaintiffs filed a second amended complaint. On March 10, 2026, the court dismissed the second amended complaint with prejudice as to all defendants, finding that plaintiffs failed to cure the previously identified deficiencies. The court also denied plaintiffs' motion for a temporary and permanent restraining order, finding no irreparable harm, an adequate remedy at law, and no likelihood of success on the merits. The dismissal with prejudice bars plaintiffs from refiling these claims, subject to any appeal. As of the date of this filing, no appeal has been filed.

In each of these complaints, the plaintiffs asserted claims for fraud, breach of contract and rescission arising out of the defendants' alleged failure to perform certain post-closing obligations under the purchase contracts. We had potential direct exposure for these claims because the subsidiaries of the Predecessor Company that were named as defendants are now subsidiaries of the Operating Partnership. Additionally, the Operating Partnership was potentially liable for the claims made against Moishe Gubin, Michael Blisko and the Predecessor Company pursuant to the provisions of the contribution agreement, under which the Operating Partnership assumed all the liabilities of the Predecessor Company and agreed to indemnify the Predecessor Company and its affiliates for such liabilities. As described above, the federal action was dismissed for lack of subject matter jurisdiction, the first Arkansas action was dismissed without prejudice, the Illinois state court action has been dismissed, and the second Arkansas action (filed April 2024) was dismissed with prejudice on March 10, 2026. The plaintiffs have 30 days from March 10, 2026 (the date the court entered the dismissal order) to file a notice of appeal. As of the date of this filing, no notice of appeal has been filed.

As noted above, the March 2020 and January 2021 complaints also related to the Predecessor Company's planned acquisition of five properties located in Massachusetts. A subsidiary of the Predecessor Company purchased loans related to these properties in 2018 for a price of \$7.74 million with the expectation that the subsidiaries would acquire title to the properties and the loans would be retired. The subsidiary subsequently advanced \$3.1 million under the loans to satisfy other liabilities related to the properties. The planned acquisition/settlement with the sellers/owners and/borrowers was not consummated because the underlying tenants of the properties surrendered their licenses to operate healthcare facilities on these properties.

The Predecessor Company intends to institute legal proceedings to collect the outstanding amount of these loans and to assert related claims against the sellers and their principals for the unpaid principal balances as well as protective advances and collection costs. In connection with enforcing their rights, in July 2022, the Company foreclosed, and (as lender) sold four of the five properties at auction for the total amount of \$4.4 million. In December 2022, the Company took title on the fifth property with an estimated fair value of \$1.2 million.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Common Equity

On September 23, 2022, our common stock commenced trading on the OTCQX market operated by the OTC Markets Group, Inc., under the symbol “STRW”. On February 22, 2023, our common stock commenced trading on the NYSE American market, also under the symbol “STRW”.

As of March 19th, 2026, approximately 5,462 stockholders of record owned 13,257,425 issued and outstanding shares of common stock. This number of stockholders of record does not represent the actual number of beneficial owners of our common stock because shares of our common stock are also held in “street name” by securities brokers and others for the benefit of beneficial owners who may vote the shares.

In addition, as of March 19, 2026, the Operating Partnership had 42,462,059 outstanding OP Units held by seven limited partners other than the Company. No public trading market exists for the OP Units.

To maintain REIT status, we are required each year to distribute to stockholders at least 90% of our annual REIT taxable income after certain adjustments. All distributions will be made by us at the discretion of our board of directors and will depend on our financial position, results of operations, cash flows, capital requirements, debt covenants (which include limits on distributions by us), applicable law, and other factors as our board of directors deems relevant.

Distributions with respect to our common stock can be characterized for federal income tax purposes as taxable ordinary dividends, non-dividend distributions or a combination thereof. Following is the characterization of our annual cash dividends on common stock for 2025:

(dollars in thousands)	
Ordinary dividend	\$ 6,386
Non-dividend distributions	\$ 1,206
Capital Gain Distribution	\$ 42
Total taxable distribution	<u>\$ 7,634</u>

Purchases and Sale of Equity Securities by the Issuer and Affiliated Purchasers (ATM Program)

On July 12, 2024, the Company filed a Registration Statement on Form S-3 with the Securities and Exchange Commission (“SEC”). On August 1, 2024, the SEC declared the Registration Statement effective. In connection with the Registration Statement the Company established an at-the-market equity program (the “ATM Program”). The ATM Program will allow the Company to issue and sell to the public from time to time, at the Company’s discretion, newly issued shares of common stock. The Company expected the ATM to provide the Company with additional financing flexibility and intends to use the net proceeds from the ATM Program to increase stock liquidity and facilitate growth.

During 2024 the company issued 278,152 shares in the ATM program at an average price of \$11.33 per share netting the company \$3.2 million dollars. During 2025 the company issued 197,102 shares in the ATM program at an average price of \$11.79 per share netting the company \$2.3 million dollars.

During 2024, the Company converted 1,947,078 OP Units into shares of common stock. During 2025, the Company converted 1,056,200 OP Units into shares of common stock. The company during this time also converted 176,899 OP Units for cash. The average cost was \$11.45 per share.

On November 9, 2023 the Board of Directors authorized the repurchase of up to \$5 million of the Company’s common stock. As of December 31, 2025, the Company had purchased 319,584 shares in aggregate of common stock at an average price per share of \$9.93 and an aggregate repurchase price of \$3.2 million dollars. All common shares repurchased in the program have been retired and are now held as unissued shares available for use and reissuance for purpose as and when determined by the Board.

During 2025, the Company purchased and retired 64,636 shares of our common stock in the open market at an average price per share of \$10.09 and an aggregate repurchase cost of \$0.7 million

The following table sets forth information regarding the Company’s quarterly repurchase of shares of its outstanding common stock during as of December 31, 2025.

Period	Number of Shares	Average Price Paid Per Share	Cumulative Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs
Beginning Balance Jan 1, 2025	254,948	\$ 9.93	254,948	\$ 2,481,000
Q1 2025	-	-	254,948	2,481,000
Q2 2025	64,636	10.09	319,584	1,827,000
Q3 2025	-	-	319,584	1,827,000
Q4 2025	-	-	319,584	1,827,000
Total	<u>319,584</u>	<u>\$ 9.93</u>	<u>319,584</u>	<u>\$ 1,827,000</u>

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 5 is incorporated by reference to our Definitive Proxy Statement for our 2025 annual stockholders’ meeting.

ITEM 6. [Reserved]

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion below contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed in the section titled "Risk Factors." Also see "Statement Regarding Forward-Looking Statements" preceding Part I.

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and the notes thereto.

Overview

Strawberry Fields REIT, Inc. (the "Company") is engaged in the ownership, acquisition, financing and triple-net leasing of skilled nursing facilities and other post-acute healthcare properties. As of December 31, 2025, our portfolio consists of 143 healthcare facilities with an aggregate of 15,602 licensed beds. We hold fee title to 132 of these properties and hold one property under a long-term lease. These properties are located in Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. We generate substantially all our revenues by leasing our properties to tenants under long-term leases primarily on a triple-net basis, under which the tenant pays the cost of real estate taxes, insurance and other operating costs of the facility and capital expenditures. Each healthcare facility located at our properties is managed by a qualified operator with an experienced management team.

We employ a disciplined approach in our investment strategy by investing in healthcare real estate assets. We seek to invest in assets that will provide attractive opportunities for dividend growth and appreciation in asset value, while maintaining balance sheet strength and liquidity, thereby creating long-term stockholder value. We expect to grow our portfolio by diversifying our investments by tenant, facility type and geography.

We are entitled to monthly rent paid by the tenants and we do not receive any income or bear any expenses from the operations of such facilities. As of the date of this report, the aggregate annualized average base rent under the leases for our properties was approximately \$142.7 million.

We elect to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2022. We are organized in an UPREIT structure in which we own substantially all of our assets and conduct substantially all of our business through the Operating Partnership. We are the general partner of the Operating Partnership and as of the date of the report own approximately 24.0% of the outstanding OP units.

Significant Events in 2025

On January 1, 2025, the Company entered into a new master lease for 10 Kentucky properties formally part of the Landmark Master Lease. Base rent is \$23.3 million a year and is subject to an increase based on CPI with a minimum increase of 2.50%. The initial lease term is 10 years with four 5-year extension options. Also, as part of the negotiation of the new Kentucky Master Lease, the Company entered into a 5 year note payable with the parent of the Landmark tenant for \$50.9 million dollars, included in Note Payable in the accompanying consolidated balance sheets.

On January 2, 2025, the Company acquired 6 facilities consisting of 354 beds in Kansas. The acquisition was \$24.0 million and the Company funded the acquisition utilizing cash from the consolidated balance sheets. The Company formed a new master lease for an initial 10-year period that included two 5-year extension options on a triple-net basis. Additionally, the lease will increase the Company's annual rents by \$2.4 million and is subject to 3% annual increases.

On March 31, 2025, the Company acquired a skilled nursing facility with 100 licensed beds near Oklahoma City, Oklahoma. The acquisition was \$5.0 million and was funded utilizing cash from the consolidated balance sheets. The initial term of the lease is 10 years and includes two 5-year extension options. Base rent for the property is \$0.5 million dollars annually and is subject to 3% annual increases.

On April 4, 2025, the Company completed the acquisition for a skilled nursing facility with 112 licensed beds near Houston, Texas. The acquisition was for \$11.5 million and was funded utilizing cash from the consolidated balance sheets. The Company funded the acquisition utilizing cash from the consolidated balance sheets. The facility was leased to an existing third party operator and added to their Master Lease (Texas Master Lease 2). The initial annual base rents are \$1.3 million dollars and subject to 3% annual rent increases.

On June 24, 2025, the Company issued 312.0 million NIS in Series B Bonds on the TASE, which is approximately \$89.5 million. The bonds are unsecured, were issued at par and have a fixed interest rate of 6.70%. Repayment of the bond principal, at 4% of the principal, will be paid in the years 2026 through 2028, with the remaining 88% due in June 2029. Interest payments will be due semi-annually on June 30th and December 30th of the years 2025 through maturity in 2029.

On July 1, 2025, the Company completed the acquisition of nine skilled nursing facilities, comprised of 686 beds, located in Missouri. The acquisition was for \$59 million and the Company funded the acquisition utilizing cash from the consolidated balance sheets. Eight of the facilities were leased to the Tide Group and were added to the master lease the Company entered into in August 2024. This acquisition increased Tide Group's annual rents by \$5.5 million. These properties are subject to an annual rent increase of 3% and the initial term is 10 years. The ninth facility was leased to an affiliate of Reliant Care Group L.L.C. The facility was added to the master lease the Company assumed in December 2024 and increased Reliant Care Group's annual rents by \$0.6 million.

On July 1, 2025, the Company sold Chalet of Niles, a property in Michigan that was formally part of the Landmark Master Lease, to a third-party purchaser. The property sold for \$2.7 million dollars. A loss of \$0.01 million dollars resulted from this sale. The buyer received financing from the Company for the acquisition. The financing was \$2.4 million for three years and is interest only, with an annual interest rate of 10%. The financing has a balloon payment at the end of year three.

On August 5, 2025, the Company completed the acquisition for a skilled nursing facility with 80 licensed beds near McLoud, Oklahoma. The acquisition was for \$4.25 million. The Company funded the acquisition utilizing cash from the consolidated balance sheets. The initial annual base rents are \$0.4 million dollars and subject to 3% annual rent increases. The initial term is 10 years and includes two 5-year extension options.

On August 29, 2025, the Company completed the acquisition for a healthcare facility comprised of 108 skilled nursing beds and 16 assisted living beds near Poplar Bluff, Missouri. The acquisition was for \$5.3 million. The Company funded the acquisition utilizing cash from the consolidated balance sheets. The initial annual base rents are \$0.5 million dollars and subject to 3% annual rent increases. The property was assumed by the Reliant Care master lease and is subject to the terms of the master lease.

On November 4, 2025, the Company completed the acquisition for a skilled nursing facility with 60 licensed beds near Grove, Oklahoma. The acquisition was for \$3.0 million. The Company funded the acquisition utilizing cash from the consolidated balance sheet. The initial annual base rents are \$0.3 million dollars and subject to 3% annual rent increases.

Related Party Tenants

As a landlord, the Company does not control the operations of its tenants, including related party tenants, and is not able to cause its tenants to take any specific actions to address trends in occupancy at the facilities operated by its tenants, other than to monitor occupancy and income of its tenants, discuss trends in occupancy with tenants and possible responses, and, in the event of a default, to exercise its rights as a landlord. However, Moishe Gubin, our Chairman and Chief Executive Officer, and Michael Blisko, one of our directors, as the controlling members of 66 of our tenants and related operators, have the ability to obtain information regarding these tenants and related operators and cause the tenants and operators to take actions, including with respect to occupancy.

Results of Operations

Operating Results

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024:

<i>(dollars in thousands)</i>	Year Ended December 31,		Increase / (Decrease)	Percentage Difference
	2025	2024		
Rental revenues	\$ 154,999	\$ 117,058	\$ 37,941	32%
Expenses:				
Depreciation	35,774	29,031	6,743	23%
Amortization	10,475	4,657	5,818	125%
General and administrative expenses	8,608	6,851	1,757	26%
Property and other taxes	15,247	14,489	758	5%
Facility rent expenses	609	727	(118)	(16)%
Total Expenses	70,713	55,755	14,958	27%
Interest expense, net	48,612	32,603	16,009	49%
Amortization of interest expense	804	657	147	22%
Mortgage Insurance Premium	1,536	1,548	(12)	(1)%
Total Interest Expenses	50,952	34,808	16,144	46%
Other (loss) income				
Other (loss) income	(28)	10	(38)	(380)%
Net Income	33,306	26,505	6,801	26%
Net income attributable to non-controlling interest	(25,731)	(22,410)	(3,321)	(15)%
Net Income attributable to common stockholders	7,575	4,095	3,480	85%
Basic and diluted income per common share	\$ 0.60	\$ 0.57	0.03	5%

Rental revenues: Rental revenues increased \$37.9 million, or 32.4%, compared to fiscal year 2024. The year-over-year growth was primarily driven by \$13.1 million in additional revenue associated with the re-tenanting of the Landmark and Kentucky Master Lease, as well as contributions from recent property acquisitions completed in 2024 and 2025. These acquisitions included the Missouri lease (\$10.3 million), the Tide Group Master Lease (\$5.5 million), and the Kansas Master Lease (\$2.4 million). The increase also reflects additional reimbursed property taxes from tenants.

Depreciation and Amortization: Depreciation expense increased \$6.7 million, or 23.2%, compared to fiscal year 2024. The results were driven by year-over-year depreciation from new real estate investments placed into service during the 2024 and 2025. These increases were partially offset by assets that became fully depreciated in 2025. Amortization expense increased \$5.8 million, or 124.9%, primarily due to the amortization of an asset associated with the note payable related to the re-tenanting of the properties under the Kentucky Master Lease.

General and Administrative Expense: General and administrative expenses increased \$1.8 million compared to fiscal year 2024, or 25.6%, primarily due to \$1.7 million of higher payroll expenses driven by increased executive compensation and employee bonus costs.

Property and Other Taxes: Property expenses increased \$0.8 million year over year. This increase was driven primarily by higher property tax obligations, which rose as a result of approximately \$0.8 million in new property taxes associated with assets acquired during 2024 and 2025.

Interest expense, net: Interest expense increased \$16.0 million, or 49.1%, from fiscal year 2024 to fiscal year 2025. The increase was primarily driven by \$9.3 million of higher bond interest expense associated with the issuance of a new bond series, \$4.5 million of additional interest expense related to a new note payable entered into during 2025, and \$1.5 million of increased mortgage interest expense from a third commercial bank loan facility used to finance the acquisition of the Missouri facilities.

Net Income: The increase in net income from \$26.5 million during the year ended December 31, 2024 to \$33.3 million in the year ended December 31, 2025 is primarily due to increases in rental revenue (net of increase in real estate taxes), and is offset by higher depreciation, amortization, property taxes, general and administrative and interest expenses.

Liquidity and Capital Resources

To qualify as a REIT for federal income tax purposes, we are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our stockholders on an annual basis. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly dividends to common stockholders from cash flow from operating activities. All such dividends are at the discretion of our board of directors.

As of December 31, 2025, we had cash and cash equivalents and restricted cash and equivalents of \$66.8 million. We also had the ability to offer additional Series A Bonds from the current outstanding of \$94.7 million up to \$172.4 million. Series C Bonds from the current outstanding of \$77.7 million up to \$197.5 million and the ability to offer additional Series D Bonds from the current outstanding of \$55.1 million up to \$141.1 million. is subject to compliance with covenants and market conditions. Bond B does not have a ceiling for additional issuances; however, the series is subject to compliance with covenants and market conditions.

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain our assets and operations, make distributions to our stockholders and other general business needs. Our primary sources of cash include operating cash flows and borrowings. Our primary uses of cash include funding acquisitions and investments consistent with our investment strategy, repaying principal and interest on any outstanding borrowings, making distributions to our equity holders, funding our operations and paying accrued expenses.

Our long-term liquidity needs consist primarily of funds necessary to pay for the costs of acquiring additional healthcare properties and principal and interest payments on our debt. We expect to meet our long-term liquidity requirements through various sources of capital, including future equity issuances or debt offerings, net cash provided by operations, long-term mortgage indebtedness and other secured and unsecured borrowings.

We may utilize various types of debt to finance a portion of our acquisition activities, including long-term, fixed-rate mortgage loans, variable-rate term loans and secured revolving lines of credit. As of December 31, 2025, on a consolidated basis, we had total indebtedness of approximately \$794.5 million, consisting of \$254.1 million in HUD guaranteed debt, \$334.7 million in gross Series A, B, C, and D bonds outstanding and \$163.1 million in commercial mortgages. We also have a Note Payable with an outstanding balance of \$42.6 million. Under our Bonds and our commercial mortgages, we are subject to continuing covenants, and future indebtedness that we may incur, may contain similar provisions. In the event of a default, the lenders could accelerate the timing of payments under the debt obligations, and we may be required to repay such debt with capital from other sources, which may not be available on attractive terms, or at all, which would have a material adverse effect on our liquidity, financial condition, results of operations and ability to make distributions to our stockholders.

Our debt arrangements may require us to make a lump-sum or “balloon” payment at maturity. Our ability to make the balloon payments due under our existing and future indebtedness will depend on our working capital at the time of repayment, our ability to obtain additional financing or our ability to sell any property securing such indebtedness. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original bond or loan or sell any related property at a price sufficient to make the balloon payment. In addition, balloon payments and payments of principal and interest on our indebtedness may leave us with insufficient cash to pay the distributions that we are required to pay to qualify and maintain our qualification as a REIT.

Through 2029 there are balloon payment obligations consisting of three payments of \$94.7 million, \$77.7 million, and \$55.1 million, due under the Series A Bonds, Series C Bonds, and Series D bonds in 2026, and \$94.3 million due under Bond B in 2029, respectively, and payments of \$56.1 million, \$36.6 million and \$52.3 million due under our three commercial bank term loans due in 2027, 2028, and 2029, respectively. We may also obtain additional financing that contains balloon payment obligations. These types of obligations may materially adversely affect us, including our cash flows, financial condition and ability to make distributions.

The Company believes that its overall level of indebtedness is appropriate for the Company’s business in light of its cash flow from operations and value of its properties and is generally typical for owners of multiple healthcare properties. The Company expects to generate sufficient positive cash flow from operations to meet its ongoing debt service obligations and the distribution requirements for maintaining REIT status.

Cash Flows

The following table presents selected data from our consolidated statements of cash flows:

	Years Ended December 31,	
	2025	2024
<i>(dollars in thousands)</i>		
Net cash provided by operating activities	\$ 90,037	\$ 59,330
Net cash used in investing activities	(111,872)	(136,776)
Net cash (used in) provided by financing activities	(5,063)	133,344
Net (decrease) increase in cash and cash equivalents and restricted cash and equivalents	(26,898)	55,898
Cash and cash equivalents, and restricted cash and equivalents beginning of year	93,656	37,758
Cash and cash equivalents and restricted cash and equivalents, end of year	\$ 66,758	\$ 93,656

Net cash provided by operating activities increased \$30.7 million for the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to an increase of \$12.6 million increase in depreciation and amortization, a \$8.7 million increase in accounts payable and accrued liabilities and other liabilities and a \$6.8 million increase in net income. The increases in Depreciation, Amortization is driven by acquisitions made in 2024 and 2025 as well as the re-tenanting of the Landmark and Kentucky master leases. The increase in accounts payable and other liabilities is due to increased deposits related to the recent property acquisitions, as well as an increase in prepaid rent.

Cash used in investing activities decreased by \$24.9 million for the year ended December 31, 2025 compared December 31, 2024, primarily due to a \$27.9 million decrease in cash used for property acquisitions in real estate and lease rights. This difference was offset by a net \$3.0 million increase in notes receivable balances.

Cash flows generated from financing activities decreased by \$138.4 million for the year ended December 31, 2025 compared to the year ended December 31, 2024. The decline was driven by a lower amount of cash received from debt and equity issuances, specifically, from \$59.0 in lower proceeds from senior debt, \$33.0 million in lower proceeds from equity raises and \$21.5 million in lower proceeds from bond issuances. The company also increased debt principal repayments by \$18.8 million in 2025 and increased common stock and OP unit distributions by \$5.7 million in 2025.

Indebtedness

Mortgage Loans Guaranteed by HUD

As of December 31, 2025, we had non-recourse mortgage loans of \$254.1 million from third party lenders that were guaranteed by HUD.

Each loan is secured by first mortgages on certain specified properties, interests in the leases for these properties and second liens on the operator's assets. In the event of default on any single loan, the loan agreement provides that the applicable lender may require the tenants for the property securing the loan to make all rental payments directly to the lender. In exchange for the HUD guarantee, we pay HUD, on an annual basis, 0.65% of the principal balance of each loan as mortgage insurance premium, in addition to the interest rate denominated in each loan agreement. As a result, the overall average interest rate paid with respect to the HUD guaranteed loans as of December 31, 2025, was 3.91% per annum (including the mortgage insurance payments). The loans have an average maturity of 21 years.

Commercial Bank Term Loans

On March 21, 2022, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$105 million. The facility provides for monthly payments of principal and interest based on a 20-year amortization with a balloon payment due in March 2027. The rate is based on the one-month Secured Overnight Financing Rate ("SOFR") plus a margin of 3.5% and a floor 4% (as of the December 31, 2025 the rate was 7.37%). As of December 31, 2025, total outstanding principal amount was \$61.2 million. This loan is collateralized by 21 properties owned by the Company. The loan proceeds were used to repay the Series B Bonds and prepay commercial loans not secured by HUD guarantees. The Company recognized a foreign currency transaction loss of approximately \$10.1 million in connection with the repayment of the Series B Bonds during the year ended December 31, 2022.

On August 25, 2023, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$66 million. The facility provides for monthly payments of interest and payment of principal and interest thereafter, will start on August 2024 based on a 20-year amortization with a balloon payment due in August 2028. The rate is based on the one-month SOFR plus a margin of 3.5% and a floor of 4% (as of the December 31, 2024, the rate was 7.37%). As of December 31, 2025, total outstanding principal amount was \$40.3 million. This loan is collateralized by 19 properties owned by the Company. The loan proceeds were used to acquire the Indiana facilities.

On December 19, 2024, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$59 million. The facility provides for monthly payments of interest and payment of principal will start on January 2026 based on a 20-year amortization with a balloon payment due in December 2029. The rate and interest is based on the one-month Secured Overnight Financing Rate SOFR plus a margin of 3.0% and a floor of 4% (as of the December 31, 2025, the rate was 6.87%). As of December 31, 2025, total outstanding principal amount was \$59 million. This loan is collateralized by 8 properties owned by the Company. The loan proceeds were used to acquire the Missouri facilities.

The two credit facilities closed in March 21, 2022 and August 25, 2023 are subject to financial covenants which are consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.20 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$20,000,000. As of December 31, 2025, the Company was in compliance with the loan covenants.

The credit facility closed on December 19, 2024 is subject to financial covenants which consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.25 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$30,000,000. As of December 31, 2025, the Company was in compliance with the loan covenants.

Outstanding Bond Debt

As of December 31, 2025, the Company had outstanding Series A, Series B, Series C Bonds and Series D Bonds.

Series A Bonds

In August 2024, Strawberry Fields, Inc completed, directly, an initial offering on the Tel Aviv Stock Exchange ("TASE") of Series A Bonds with a par value of NIS 145.6 million (\$37.1 million). The series A Bonds were issued at par. Offering and issuance costs of approximately \$1.0 million were incurred at closing. In December 2024, the Company issued an additional NIS 145.6 million (\$38.1 million) in Series A Bonds.

Exchange of Series D Bonds for Series A Bonds

In September 2024 the Company made an exchange tender offer of outstanding Series D Bonds for Series A Bonds. The interest rate on Series D Bonds is 9.1% per annum. The exchange offer rate was 1.069964 Series A Bonds per Series D Bonds. As a result of this offer, NIS 47.3 million Series D Bonds (\$12.7 million) were exchanged for NIS 50.6 million Series A Bonds (\$13.6 million).

As of December 31, 2025, the outstanding balance of Series A Bonds was NIS 302.2 million (\$94.7 million)

The Series A Bonds are traded on the TASE.

Series B Bonds

In June 2025, Strawberry Fields, Inc completed, directly, an initial offering on the Tel Aviv Stock Exchange ("TASE") of Series B Bonds with a par value of NIS 312 million (\$89.5 million). The series B Bonds were issued at par. Offering and issuance costs of approximately \$2.5 million were incurred at closing. In December 2025, the Company issued an additional NIS 30.0 million (\$9.4 million) in Series B Bonds. At December 31, 2025, the outstanding balance of Series B Bonds was \$107.2 million.

Series C Bonds

In July 2021, the BVI Company completed an initial offering of Series C Bonds with a par value of NIS 208.0 million (\$64.4 million). The Series C Bonds were issued at par. During February 2023, the BVI Company issued additional Series C Bonds in the face amount of NIS 40.0 million (\$11.3 million) and raised a net amount of NIS 38.1 million (\$10.7 million). These Series C Bonds were issued at a price of 95.25%. In October 2024, the BVI company issued an additional NIS 62.0 million (\$16.6 million) in Series C Bonds. The bonds were issued at 99.3%.

As of December 31, 2025, the outstanding principal amount of the Series C Bonds was NIS 247.9 million (\$77.7 million).

The Series C Bonds are traded on the TASE.

Series D Bonds

In June 2023, the BVI Company completed an initial offering of Series D Bonds with a par value of NIS 82.9 million (\$22.9 million). The Series D Bonds were issued at par. During August 2023, the BVI Company issued additional Series D Bonds in the face amount of NIS 70.0 million (\$19.2 million). These Series D Bonds were issued at a price of 99.7%. On February 8, 2024, the BVI Company issued additional NIS 98.2 million (\$25.7 million) Series D Bonds. These Series D Bonds were issued at a price of 106.3%.

Exchange of Series D Bonds for Series A Bonds

In September 2024 the Company made an exchange tender offer of outstanding Series D Bonds for Series A Bonds. The interest rate on Series D Bonds is 9.1% per annum. The exchange offer rate was 1.069964 Series A Bonds per Series D Bonds. As a result of this offer, 47.3 million NIS Series D Bonds (\$12.7 million) were exchanged for 50.6 million NIS Series A Bonds (\$13.6 million).

As of December 31, 2025, the Series D Bonds had an outstanding principal balance of approximately NIS 175.8 (\$55.1 million).

Summary of fixed and variable loans:

	December 31,	
	2025	2024
	(Amounts in \$000s)	
Fixed rate loans	\$ 634,168	\$ 475,494
Variable rate loans	160,484	198,441
Gross Note Payable and other Debt	<u>\$ 794,652</u>	<u>\$ 673,935</u>

Funds From Operations ("FFO")

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. We also believe that funds from operations ("FFO"), as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts ("NAREIT"), and adjusted funds from operations ("AFFO") are important non-GAAP supplemental measures of our operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization. AFFO is defined as FFO excluding the impact of straight-line rent, above-/below-market leases, non-cash compensation and certain non-recurring items. We believe that the use of FFO, combined with the required GAAP presentations, improves the understanding of our operating results among investors and makes comparisons of operating results among REITs more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating and financial performance because, by excluding the applicable items listed above, FFO and AFFO can help investors compare our operating performance between periods or as compared to other companies.

While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO and AFFO also do not consider the costs associated with capital expenditures related to our real estate assets nor do they purport to be indicative of cash available to fund our future cash requirements. Further, our computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other REITs that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define AFFO differently than we do.

The following table reconciles our calculations of FFO and AFFO for the years ended December 31, 2025 and 2024, to net income, the most directly comparable GAAP financial measure (in thousands):

FFO and AFFO:

	Year Ended December 31,	
	2025	2024
Net income	\$ 33,306	\$ 26,505
Loss from real estate disposition	12	
Depreciation and amortization	46,249	33,688
Funds from Operations	79,567	60,193
Adjustments to FFO:		
Straight-line rent	(7,102)	(4,368)
Funds from Operations, as Adjusted	\$ 72,465	\$ 55,825

Dividend Plans

We are required to pay dividends in order to maintain our REIT status and we expect to make quarterly dividend payments in cash with the annual dividend amount no less than 90% of our annual REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains.

Critical Accounting Policies

The preparation of consolidated financial statements in conformity with generally accepted accounting principles, or GAAP, in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management considers accounting estimates or assumptions critical in either of the following cases:

- the nature of the estimates or assumptions is material because of the levels of subjectivity and judgment needed to account for matters that are highly uncertain and susceptible to change; and
- the effect of the estimates and assumptions is material to the consolidated financial statements.

Management believes the current assumptions used to make estimates in the preparation of the consolidated financial statements are appropriate and not likely to change in the future. However, actual experience could differ from the assumptions used to make estimates, resulting in changes that could have a material adverse effect on our consolidated results of operations, financial position and/or liquidity. These estimates will be made and evaluated on an on-going basis using information that is available as well as various other assumptions believed to be reasonable under the circumstances.

The following presents information about our critical accounting policies including the material assumptions used to develop significant estimates. Since the Company was recently formed and just completed the formation transactions, certain of these critical accounting policies contain discussion of judgments and estimates that have not yet been required by management but that it believes may be reasonably required of it to make in the future.

Principles of Consolidation

The consolidated financial statements include the accounts of our Operating Partnership and its wholly owned subsidiaries, and all material intercompany transactions and balances are eliminated in consolidation.

From inception, we continually evaluate all of our transactions and investments to determine if they represent variable interests subject to the variable interest entity, or VIE, consolidation model and then determine which business enterprise is the primary beneficiary of its operations. We make judgments about which entities are VIEs based on an assessment of whether (i) the equity investors as a group, if any, do not have a controlling financial interest, or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. We consolidate investments in VIEs when we are determined to be the primary beneficiary. This evaluation is based on our ability to direct and influence the activities of a VIE that most significantly impact that entity's economic performance.

For investments not subject to the variable interest entity consolidation model, we will evaluate the type of rights held by the limited partner(s) or other member(s), which may preclude consolidation in circumstances in which the sole general partner or managing member would otherwise consolidate the limited partnership. The assessment of limited partners' or members' rights and their impact on the presumption of control over a limited partnership or limited liability corporation by the sole general partner or managing member should be made when an investor becomes the sole general partner or managing member and should be reassessed if (i) there is a change to the terms or in the exercisability of the rights of the limited partners or members, (ii) the sole general partner or member increases or decreases its ownership in the limited partnership or corporation, or (iii) there is an increase or decrease in the number of outstanding limited partnership or membership interests.

Our ability to assess correctly our influence or control over an entity at inception of our involvement or on a continuous basis when determining the primary beneficiary of a VIE affects the presentation of these entities in our consolidated financial statements. Subsequent evaluations of the primary beneficiary of a VIE may require the use of different assumptions that could lead to identification of a different primary beneficiary, resulting in a different consolidation conclusion than what was determined at inception of the arrangement.

Revenue Recognition

We recognize rental revenue for operating leases on a straight-line basis over the lease term when collectability is reasonably assured and the tenant has taken possession or controls the physical use of a leased asset. For assets acquired subject to leases, we recognize revenue upon acquisition of the asset provided the tenant has taken possession or control of the physical use of the leased asset. If the lease provides for tenant improvements, we determine whether the tenant improvements, for accounting purposes, are owned by the tenant or us. When we are the owner of the tenant improvements, the tenant is not considered to have taken physical possession or have control of the physical leased asset until the tenant improvements are substantially completed.

When the tenant is the owner of the tenant improvements, any tenant improvement allowance funded is treated as a lease incentive and amortized as a reduction of revenue over the lease term. The determination of ownership of the tenant improvements is subject to significant judgment. If our assessment of the owner of the tenant improvements for accounting purposes were different, the timing and amount of our revenue recognized would be impacted.

We monitor the liquidity and creditworthiness of our tenants and operators on a continuous basis to determine the need for an allowance for credit loss, including an allowance for operating lease straight-line rent receivables, for estimated losses resulting from tenant defaults or the inability of tenants to make contractual rent and tenant recovery payments. This evaluation considers industry and economic conditions, property performance, credit enhancements and other factors. For straight-line rent amounts, our assessment is based on income recoverable over the term of the lease. We exercise judgment in establishing allowances and consider payment history and current credit status in developing these estimates. These estimates may differ from actual results, which could be material to our consolidated financial statements. As of December 31, 2025 and 2024 we determined that no allowance was necessary to cover the potential loss of rent from our tenants.

Real Estate Investments

We make estimates as part of our allocation of the purchase price of acquisitions (whether an asset acquisition acquired via purchase/leaseback or a business combination via an asset acquired from the current lessor) to the various components of the acquisition based upon the relative fair value of each component for asset acquisitions and at fair value of each component for business combinations. In making estimates of fair values for purposes of allocating purchase prices of acquired real estate, we utilize a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired. The most significant components of our allocations are typically the allocation of fair value to land and buildings and, for certain of our acquisitions, in-place leases and other intangible assets. In the case of the fair value of buildings and the allocation of value to land and other intangibles, the estimates of the values of these components will affect the amount of depreciation and amortization we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the value of in-place leases, including the assessment as to the existence of any above-or below-market in-place leases, our management makes its best estimates based on the evaluation of the specific characteristics of each tenant's lease. Factors considered include estimates of carrying costs during hypothetical expected lease-up periods, market conditions and costs to execute similar leases. These assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in-place leases. The values of any identified above-or below-market in-place leases are based on the present value of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease, or for below-market in-place leases including any bargain renewal option terms. Above-market lease values are recorded as a reduction of rental income over the lease term while below-market lease values are recorded as an increase to rental income over the lease term. The recorded values of in-place lease intangibles are recognized in amortization expense over the initial term of the respective leases.

We evaluate each purchase transaction to determine whether the acquired assets meet the definition of a business. Transaction costs related to acquisitions that are not deemed to be businesses are included in the cost basis of the acquired assets, while transaction costs related to acquisitions that are deemed to be businesses are expensed as incurred.

Asset Impairment

Real estate asset impairment losses are recorded when events or changes in circumstances indicate the asset is impaired and the estimated undiscounted cash flows to be generated by the asset are less than its carrying amount. Management assesses the impairment of properties individually and impairment losses are calculated as the excess of the carrying amount over the fair value of assets to be held and used, and carrying amount over the fair value less cost to sell in instances where management has determined that we will dispose of the property. In determining fair value, we use current appraisals or other third-party opinions of value and other estimates of fair value such as estimated discounted future cash flows.

Factors That May Influence Future Results of Operations

Our revenues are primarily derived from rents we earn pursuant to the lease agreements we enter into with our tenants. Our tenants operate in the healthcare industry, generally providing nursing and medical care to patients. The capacity of our tenants to pay our rents is dependent upon their ability to conduct their operations at profitable levels. We believe that the business environment of the industry segments in which our tenants operate is generally positive for efficient operators. However, our tenants' operations are subject to economic, regulatory and market conditions that may affect their profitability, which could impact our results of operations. Accordingly, we actively monitor certain key factors, including changes in those factors that we believe may provide early indications of conditions that may affect the level of risk in our lease portfolio.

Key factors that we consider in underwriting prospective tenants and borrowers and in monitoring the performance of existing tenants include, but are not limited to, the following:

- the current, historical and projected cash flow and operating margins of each tenant and at each facility;
- the ratio of our tenants' operating earnings both to facility rent and to facility rent plus other fixed costs, including debt costs;
- the quality and experience of the tenant and its management team;
- construction quality, condition, design and projected capital needs of the facility;
- the location of the facility;
- local economic and demographic factors and the competitive landscape of the market;
- the effect of evolving healthcare legislation and other regulations on our tenants' profitability and liquidity;
- the payor mix of private, Medicare and Medicaid patients at the facility; and
- whether such tenants are related parties.

One of our goals is to reduce our dependence on related party tenants in order to diversify our tenant base. Although we expect to continue to lease properties to related party tenants in markets in which the related party tenants have substantial experience and operations, we intend to lease properties in other markets to unrelated tenants if we are able to identify qualified operators. Additionally, we will consider leasing properties to unrelated parties in markets in which related parties operate if we are able to identify qualified operators that are willing to lease properties on terms that are no less favorable than those available from related parties.

We also actively monitor the credit risk of our tenants. The methods we use to evaluate a tenant's liquidity and creditworthiness include reviewing certain periodic financial statements, operating data and clinical outcomes data of the tenant. Over the course of a lease, we also have regular meetings with the facility management teams. Through these means we are able to monitor a tenant's credit quality.

Certain business factors, in addition to those described above that directly affect our tenants, which in turn will likely materially influence our future results of operations:

- the financial and operational performance of our tenants;
- trends in the cost and availability of capital, including market interest rates, which our prospective tenants may use for their working capital financing;
- reductions in reimbursements from Medicare, state healthcare programs and commercial insurance providers that may reduce our tenants' profitability and our lease rates; and
- competition from other financing sources.

Inflation

We are exposed to inflation risk as income from long-term leases are a main source of our cash flows from operations. For our leased properties, we expect there to be provisions in the majority of our leases that will protect us from the impact of inflation. These provisions may include rent escalators, and leases that are triple-net. However, due to the long-term nature of the anticipated leases, among other factors, the leases may not re-set frequently enough to cover inflation.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business and investment objectives, we expect that the primary market risk to which we will be exposed is interest rate risk.

We may be exposed to the effects of interest rate changes primarily as a result of long-term debt used to acquire properties. As of December 31, 2025, we had \$94.7 million in Series A Bonds which bear interest at a fixed rate of 6.97%, \$107.2 million in Series B Bonds which bear interest at a fixed rate of 6.70%, \$77.7 million outstanding under our Series C Bonds, which bear interest at a fixed rate of 5.7% per annum, \$55.1 million outstanding under our Series D Bonds, which bear interest at a fixed rate of 9.1% per annum, and \$417.3 million in senior debt notes, of which \$160.5 million (20.20% of total debt) bear interest at variable rate equal to one month SOFR plus a margin. At December 31, 2025, one month SOFR was 3.87%. Assuming no increase in the amount of our variable interest rate debt, if one-month SOFR increased 100 basis points, our annual cash flow would decrease by approximately \$1.6 million. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we may borrow at fixed rates or variable rates. We also may enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument.

In addition to changes in interest rates, the value of our future investments is subject to fluctuations based on changes in local and regional economic conditions, change in currency rates between the Israeli Shekel and the U.S. Dollar and changes in the creditworthiness of tenants/operators, which may affect our ability to refinance our debt if necessary.

ITEM 8. Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements on page F-1 of this report.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

ITEM 9A. Controls and Procedures

Our management, under the supervision and with the participation of our principal executive and financial officer, is responsible for and has evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to our company's management, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officer have concluded that such disclosure controls and procedures were effective as of December 31, 2025 (the end of the period covered by this Annual Report).

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. In May 2013, the Internal Control – Integrated Framework (the "2013 Framework") was released by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The 2013 Framework updates and formalizes the principles embedded in the original Internal Control-Integrated Framework issued in 1992 (the "1992 Framework"), incorporates business and operating environment changes and improves the original 1992 Framework's ease of use and application.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In conducting this assessment, it used the criteria set forth by COSO in the 2013 Framework. Based on management's assessment and those criteria, management believes that the Company has maintained effective internal control over financial reporting as of December 31, 2025.

Limitations on Controls

Our system of internal control over financial reporting was designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with accounting principles generally accepted in the United States. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

During the fourth quarter of 2025, no director or officer adopted any insider trading arrangement contemplated by 17 CFR Section 229.408.

The Company has adopted a Code of Business Conduct & Ethics, which contains insider trading policies and procedures governing the purchase, sale, and/or other dispositions of the Company's securities by directors, officers and employees, or the registrant itself, that have been designed to promote compliance with insider trading laws, rules and regulations, and the NYSE American's listing standards.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

The information required under Item 10 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

ITEM 11. Executive Compensation

The information required under Item 11 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under Item 12 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

The following table discloses the number of outstanding options, warrants and rights granted to participants by the Company under the equity compensation plans, as well as the number of securities remaining available for future issuance under these plans as of December 31, 2025.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	-	-	968,650
Equity compensation plans not approved by security holders	-	-	-
Total	-	-	968,650

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Additional information required under Item 13 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

ITEM 14. Principal Accountant Fees and Services

The information required under Item 14 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

PART IV

ITEM 15. Exhibit and Financial Statement Schedules

Financial Statements

(1) Consolidated Financial Statements:

See Index to Consolidated Financial Statements at page F-1.

(2) Financial Statement Schedules

Schedule III: Real Estate and Accumulated Depreciation

Note: All other schedules have been omitted because the required information is presented in the consolidated financial statements and the related notes or because the schedules are not applicable.

(3) Exhibits:

The exhibits listed in the accompanying index to exhibits are filed as part of, or incorporated by reference into, this Annual Report.

EXHIBIT INDEX

Exhibit	Description
1.1	<u>At Market Issuance Sales Agreement by and among Strawberry Fields REIT, Inc., B. Riley Securities, Inc. and A.G.P. Alliance Global Partners, dated July 11, 2024, filed with the Securities and Exchange Commission on July 12, 2024.</u>
1.2	<u>Amendment No. 1 to At Market Issuance Sales Agreement with B. Riley Securities, Inc., A.G.P./Alliance Global Partners, and Wedbush Securities Inc., dated June 4, 2025 (Exhibit 2 has been redacted)</u>
3.1	<u>Articles of Amendment and Restatement of Strawberry Fields REIT, Inc., incorporated herein by reference to Exhibit 3.1 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
3.2	<u>Amended and Restated Bylaws of Strawberry Fields REIT, Inc., incorporated herein by reference to Exhibit to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
4.1*	<u>Description of Capital Stock incorporated herein by reference to Exhibit 4.1 to the Form 10-K filed with the Securities and Exchange Commission as of March 19, 2024</u>
10.1	<u>Deed of Trust dated April 23, 2018, between Strawberry Fields REIT, LTD and Mishmeret Trust Services Company Ltd., incorporated herein by reference to Exhibit 10.1 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.2	<u>Deed of Trust dated November 24, 2015, between Strawberry Fields REIT, LTD and Mishmeret Trust Services Company Ltd., incorporated herein by reference to Exhibit 10.2 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.3	<u>Deed of Trust dated July 27, 2021 between Strawberry Fields REIT, LTD and Mishmeret Trust Services Company Ltd., incorporated herein by reference to Exhibit 10.3 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.4	<u>First Amended and Restated Agreement of Limited Partnership dated June 1, 2021 of Strawberry Fields Realty LP, incorporated herein by reference to Exhibit 10.4 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>

10.5	<u>Contribution Agreement dated June 8, 2021 between Strawberry Fields REIT, Inc., Strawberry Fields REIT, LLC and of Strawberry Fields Realty LP, incorporated herein by reference to Exhibit 10.5 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.6	<u>Tax Protection Agreement effective as of June 8, 2021 among Strawberry Fields Realty LP, Strawberry Fields REIT, Inc. and Strawberry Fields REIT, LLC, incorporated herein by reference to Exhibit 10.6 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.7	<u>Strawberry Fields REIT, Inc. 2021 Equity Incentive Plan, incorporated herein by reference to Exhibit 10.7 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.8	<u>Term Loan and Security Agreement dated March 18, 2022, by and among Strawberry Fields Realty LP and certain subsidiaries thereof named as Borrowers, and Popular Bank, as Agent and Lender, incorporated herein by reference to Exhibit 10.8 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.9	<u>Indemnification Agreement effective January 13, 2020 between the Company and Jack Levine Bailey incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed with the Securities and Exchange Commission as of September 8, 2022.</u>
10.10	<u>Indemnification Agreement effective January 13, 2020 between the Company and Michael Blisko incorporated herein by reference to Exhibit 10.3 to the Form 10-Q filed with the Securities and Exchange Commission as of September 8, 2022.</u>
10.11	<u>Indemnification Agreement effective January 13, 2020 between the Company and Moishe Gubin incorporated herein by reference to Exhibit 10.4 to the Form 10-Q filed with the Securities and Exchange Commission as of September 8, 2022.</u>
10.12	<u>Indemnification Agreement effective January 13, 2020 between the Company and [BOD MEMBER] incorporated herein by reference to Exhibit 10.4 to the Form 10-Q filed with the Securities and Exchange Commission as of September 8, 2022.</u>
10.13	<u>Deed of Trust dated June 19, 2023, between Strawberry Fields REIT, LTD and Mishmeret Trust Services Company Ltd. incorporated herein by reference to Exhibit 10.9 to the Registration Statement on Form 10 filed with the Securities and Exchange Commission as of July 12, 2022.</u>
10.14	<u>Deed of Trust dated August 4, 2024, between the Company and Mishmeret Trust Services Company Ltd., incorporated herein by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission as of August 6, 2024.</u>
*21.1	<u>List of Subsidiaries of the Registrant</u>
*31.1	<u>Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
*31.2	<u>Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
**32.1	<u>Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Schema
101.CAL	Inline XBRL Taxonomy Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Definition Linkbase
101.LAB	Inline XBRL Taxonomy Label Linkbase
101.PRE	Inline XBRL Taxonomy Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

+ Management contract or compensatory plan or arrangement.

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STRAWBERRY FIELDS REIT, INC.

By: /s/ Moishe Gubin

Moishe Gubin
Chairman and Chief Executive Officer

Dated: March 19, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Moishe Gubin</u> Moishe Gubin	Chairman and Chief Executive Officer (Principal Executive Officer)	March 19, 2026
<u>/s/ Greg Flamion</u> Greg Flamion	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 19, 2026
<u>/s/ Michael Blisko</u> Michael Blisko	Director	March 19, 2026
<u>/s/ Jack Levine</u> Jack Levine	Director	March 19, 2026
<u>/s/ Stanford Gertz</u> Stanford Gertz	Director	March 19, 2026
<u>/s/ Mark Meyers</u> Mark Meyers	Director	March 19, 2026
<u>/s/ Ted Lerman</u> Ted Lerman	Director	March 19, 2026

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Strawberry Fields REIT, INC.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Strawberry Fields REIT, Inc., (the “Company”) as of December 31, 2025 and 2024 and the related consolidated statements of income and comprehensive (loss) income, equity and cash flows, for the years then ended, and the related notes to the consolidated financial statements and financial statement schedule III (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplemental Information

Financial statement schedule III (“Schedule III”) has been subjected to audit procedures performed in conjunction with the audit of the Company’s consolidated financial statements. Schedule III is the responsibility of the Company’s management. Our audit procedures included determining whether Schedule III reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in Schedule III. In forming our opinion on Schedule III, we evaluated whether Schedule III, including its form and content, is presented in conformity with the rules and regulations of the Securities and Exchange Commission (“SEC”). In our opinion, Schedule III is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

(PCAOB ID: 400)

HACKER, JOHNSON & SMITH PA

We have served as the Company’s auditor since 2019.

Fort Lauderdale, Florida

March 19, 2026

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(Amounts in \$000's, except share data)

	December 31,	
	2025	2024
Assets		
Real estate investments, net	\$ 687,151	\$ 609,058
Cash and cash equivalents	31,812	48,373
Restricted cash and equivalents	34,946	45,283
Straight-line rent receivable, net	34,804	27,702
Right of use lease asset	851	1,204
Goodwill, other intangible assets and lease rights	68,352	27,947
Deferred financing expenses	5,358	6,162
Notes receivable, net	20,821	16,585
Other assets	1,130	5,275
Total Assets	\$ 885,225	\$ 787,589
Liabilities		
Accounts payable and accrued liabilities	\$ 22,369	\$ 18,718
Bonds, net	330,612	209,944
Note payable	42,624	-
Senior debt	417,262	460,591
Operating lease liability	851	1,204
Other liabilities	20,983	13,561
Total Liabilities	\$ 834,701	\$ 704,018
Commitments and Contingencies (Notes 8 and 14)		
Equity		
Preferred stock, \$.0001 par value, 100,000,000 shares authorized, no shares issued and outstanding	\$ -	\$ -
Common stock, \$.0001 par value, 500,000,000 shares authorized, 13,257,425 and 12,062,309 shares issued and outstanding in 2025 and 2024	1	1
Additional paid in capital	18,554	16,535
Accumulated other comprehensive (loss) income	(7,682)	340
Retained earnings	1,233	1,292
Total Stockholders' Equity	\$ 12,106	\$ 18,168
Non-controlling interest	\$ 38,418	\$ 65,403
Total Equity	\$ 50,524	\$ 83,571
Total Liabilities and Equity	\$ 885,225	\$ 787,589

See accompanying notes to consolidated financial statements.

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE (LOSS) INCOME
(Amounts in \$000's, except share data)

	Year Ended December 31,	
	2025	2024
Revenues		
Rental revenues	\$ 154,999	\$ 117,058
Expenses:		
Depreciation	\$ 35,774	29,031
Amortization	10,475	4,657
General and administrative expenses	8,608	6,851
Property taxes	15,247	14,489
Facility rent expenses	609	727
Total expenses	\$ 70,713	\$ 55,755
Income from operations	84,286	61,303
Interest expense, net	\$ (48,612)	\$ (32,603)
Amortization of deferred financing costs	(804)	(657)
Mortgage insurance premium	(1,536)	(1,548)
Total interest expense	\$ (50,952)	\$ (34,808)
Other (loss) income:		
Other (loss) income	(28)	10
Total other (loss) income	(28)	10
Net income	\$ 33,306	\$ 26,505
Less:		
Net income attributable to non-controlling interest	(25,731)	(22,410)
Net income attributable to common shareholders	7,575	4,095
Other comprehensive (loss) income:		
(Loss) gain due to foreign currency translation	(34,837)	431
Comprehensive income attributable to non-controlling interest	26,815	(620)
Comprehensive (loss) income	\$ (447)	\$ 3,906
Net income attributable to common stockholders	\$ 7,575	\$ 4,095
Basic and diluted income per common share	\$ 0.60	\$ 0.57
Weighted average number of common stock outstanding	12,696,831	7,124,158

See accompanying notes to consolidated financial statements.

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY
(Amounts in \$000's, except share data)

	Number of Common Shares	Common Stock at Par	Additional Paid-in Capital	Accumulated other comprehensive income	Retained Earnings	Non- controlling interest	Total
Balance, December 31, 2023	6,487,856	\$ -	\$ 5,746	\$ 529	\$ 1,232	\$ 39,766	\$ 47,273
Issuance of common stock in exchange for OP units	1,947,078	-	-	-	-	-	-
Proceeds from equity raise net of offering costs of \$2.0 million	3,333,334	1	33,009	-	-	-	33,010
ATM common stock sales	278,152	-	3,239	-	-	-	3,239
Common stock issued for property acquisition	264,884	-	3,078	-	-	-	3,078
Common stock retirement	(248,995)	-	(2,470)	-	-	-	(2,470)
Dividends	-	-	-	-	(4,035)	-	(4,035)
Non-controlling interest distributions	-	-	-	-	-	(23,460)	(23,460)
Net change in foreign currency translation	-	-	-	(189)	-	620	431
Reallocation of non-controlling interest	-	-	(26,067)	-	-	26,067	-
Net Income	-	-	-	-	4,095	22,410	26,505
Balance, December 31, 2024	12,062,309	\$ 1	\$ 16,535	\$ 340	\$ 1,292	\$ 65,403	\$ 83,571
Issuance of common stock in exchange for OP units	1,056,200	-	-	-	-	-	-
Common Stock Bonus	6,450	-	72	-	-	-	72
ATM common stock sales	197,102	-	2,324	-	-	-	2,324
Common Stock Retirement	(64,636)	-	(652)	-	-	-	(652)
Dividends	-	-	-	-	(7,634)	-	(7,634)
Non-controlling interest distributions	-	-	-	-	-	(25,600)	(25,600)
OP Units retirement	-	-	-	-	-	(2,026)	(2,026)
OP Units issued for property acquisition	-	-	-	-	-	2,000	2,000
Net change in foreign currency translation and adjustments	-	-	-	(8,022)	-	(26,815)	(34,837)
Net Income	-	-	-	-	7,575	25,731	33,306
Reallocation of non-controlling interest	-	-	275	-	-	(275)	-
Balance, December 31, 2025	13,257,425	\$ 1	\$ 18,554	\$ (7,682)	\$ 1,233	\$ 38,418	\$ 50,524

See accompanying notes to consolidated financial statements.

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in \$000's)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 33,306	\$ 26,505
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,249	33,688
Stock based compensation	1,688	-
Amortization of bond issuance costs	2,549	629
Amortization of deferred financing costs	804	657
Loss from sale of real estate investments	12	-
Increase in other assets	(98)	(1,773)
Amortization of right of use asset	353	505
Foreign currency translation adjustments	3,172	3,207
Increase in straight-line rent receivables	(7,102)	(4,368)
Increase in accounts payable and accrued liabilities and other liabilities	9,457	785
Repayment of operating lease liability	(353)	(505)
Net cash provided by operating activities	\$ 90,037	\$ 59,330
Cash flow from investing activities:		
Purchase of real estate investments	\$ (110,036)	\$ (113,897)
Purchase of lease rights	-	(24,000)
(Increase) decrease in notes receivable	(1,836)	1,121
Net cash used in investing activities	\$ (111,872)	\$ (136,776)
Cash flows from financing activities:		
Proceeds from issuance of bonds, net of issuance costs	\$ 95,156	\$ 116,704
Proceeds from ATM Stock Sales, net	2,324	3,239
Proceeds from senior debt, net of discount	-	59,000
Proceeds from equity raise, net	-	33,010
Deferred financing costs	-	(784)
Repayment of bonds	(15,046)	(10,459)
Repayment of senior debt	(43,329)	(37,401)
Repayment of note payable	(8,256)	-
Non-controlling interest distributions	(25,600)	(23,460)
Payment of dividends	(7,634)	(4,035)
OP Unit Retirement	(2,026)	-
Common stock retirement	(652)	(2,470)
Net cash (used in) provided by financing activities	\$ (5,063)	\$ 133,344
(Decrease) increase in cash and cash equivalent and restricted cash and equivalents	\$ (26,898)	\$ 55,898
Cash and cash equivalents and restricted cash and equivalents at the beginning of the year	\$ 93,656	\$ 37,758
Cash and cash equivalents and restricted cash and equivalents at the end of the year	\$ 66,758	\$ 93,656

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in \$000's)

	Year Ended December 31,	
	2025	2024
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ 47,719	\$ 33,672
Supplemental schedule of noncash activities:		
Accumulated other comprehensive income:		
Foreign currency translation adjustments	\$ (34,837)	\$ 431
Note payable assumed in exchange for acquisition of intangible asset	\$ 50,880	\$ -
Transfer of other assets to real estate investments, net	\$ 4,243	\$ -
OP units issued for property acquisition	\$ 2,000	\$ -
Note receivable from sale of real estate investments	\$ 2,400	\$ -
Right of use lease asset obtained in exchange for operating lease liabilities	\$ -	\$ 3,017
Assumption of note payable and other debt for property acquisition	\$ -	\$ 2,800
Common shares issued for property acquisition	\$ -	\$ 3,078
Right of use lease asset and lease liability terminated	\$ -	\$ 2,850

See accompanying notes to consolidated financial statements.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Business

Overview

The Company

STRAWBERRY FIELDS REIT Inc. (the “Company”) is a Maryland corporation formed in July 2019. The Company commenced operations on June 8, 2021, following the completion of the formation transactions described below. The Company conducts its business through a traditional UPREIT structure in which substantially all of its assets are owned by subsidiaries of Strawberry Fields Realty, LP, a Delaware limited partnership formed in July 2019 (the “Operating Partnership”). The Company is the general partner of the Operating Partnership. The Company owns approximately 24.0% and 22.1% of the outstanding Operating Partnership units (“OP units”) as of December 31, 2025 and December 31, 2024, respectively.

As the sole general partner of the Operating Partnership, the Company has the exclusive power under the partnership agreement to manage and conduct the business affairs of the Operating Partnership, subject to certain limited approval and voting rights of the limited partners. The Company may cause the Operating Partnership to issue additional OP units in connection with property acquisitions, compensation or otherwise. The Company became a publicly traded entity on September 21, 2022.

The Company is engaged in the ownership, acquisition, financing and triple-net leasing of skilled nursing facilities and other post-acute healthcare properties. As of December 31, 2025, the Company’s portfolio consists of 132 healthcare properties and one leased property that is in turn leased to a tenant that operates the facilities. As of December 31, 2024, the Company owned 113 properties and leased one property that it in turn subleased to a tenant that operates the facility. As of December 31, 2025, the portfolio properties are located in Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. The Company generates substantially all of its revenues by leasing its properties to tenants under long-term leases primarily on a triple-net basis, under which the tenant pays the cost of real estate taxes, insurance and other operating costs of the facility and capital expenditures. Each healthcare facility located at its properties is managed by a qualified operator with an experienced management team.

Variable Interest Entity

The Company consolidates the Operating Partnership, a variable interest entity (“VIE”) in which the Company is considered the primary beneficiary. The primary beneficiary is the entity that has (i) the power to direct the activities that most significantly impact the entity’s economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

Non-Controlling Interest

A non-controlling interest is defined as the portion of the equity in an entity not attributable, directly or indirectly, to the primary beneficiary. Non-controlling interests are required to be presented as a separate component of equity on a consolidated balance sheets. Accordingly, the presentation of net income is modified to present the income attributed to controlling and non-controlling interests. The non-controlling interest on the Company’s consolidated balance sheets represents OP units not held by the Company and represents approximately 76.0% and 77.9% of the outstanding OP Units issued by the Operating Partnership as of December 31, 2025 and 2024, respectively. The holders of these OP units are entitled to share in cash distributions from the Operating Partnership in proportion to their percentage ownership of OP units. Net income is allocated to the non-controlling interest based on the weighted-average of OP units outstanding during the year.

Basis of Presentation

The Company maintains its accounting records on an accrual basis in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Fiscal Year End

The Company has adopted a fiscal year end of December 31.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies

Use of Estimates

Management is required to make estimates and assumptions in the preparation of the consolidated financial statements in conformity with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from management's estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, the Operating Partnership and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with original maturities of three months or less when purchased.

The Company's cash, cash equivalents and restricted cash and equivalents periodically exceed federally insurable limits. The Company monitors the cash balances in its operating accounts and adjusts the cash balances as appropriate; however, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, the Company has experienced no loss or lack of access to the cash in its operating accounts. At December 31, 2025 and 2024, the Company had \$53.1 million and \$80.0 million, respectively, on deposit in excess of federally insured limits.

Restricted Cash and Equivalents

Restricted cash and equivalents primarily consists of amounts held by mortgage lenders to provide for real estate tax expenditures, tenant improvements, capital expenditures and security deposits, as well as escrow accounts related to principal and interest payments on bonds.

Real Estate Depreciation

Real estate costs related to the acquisition and improvement of properties are capitalized and depreciated over the expected life of the asset on a straight-line basis. The Company considers the period of future benefit of an asset to determine its appropriate useful life. The Company does not incur expenditures for tenant improvements as they are the responsibility of the tenant per their respective leases. The Company anticipates the estimated useful lives of its assets by class to be generally as follows:

Building and improvements	7-45 years
Equipment and personal property	2-18 years

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies (cont.)

Real Estate Valuation

In determining fair value and the allocation of the purchase price of acquisitions, the Company uses current appraisals or third-party valuations services. The most significant components of these allocations are typically the allocation of fair value to land and buildings and, for certain of its acquisitions, in place leases and other intangible assets. In the case of the fair value of buildings and the allocation of value to land and other intangibles, the estimates of the values of these components will affect the amount of depreciation and amortization the Company records over the estimated useful life of the property acquired or the remaining lease term. In the case of the value of in place leases, the Company makes best estimates based on the evaluation of the specific characteristics of each tenant's lease. Factors considered include estimates of carrying costs during hypothetical expected lease up periods, market conditions and costs to execute similar leases. These assumptions affect the amount of future revenue that the Company will recognize over the remaining lease term for the acquired in place leases.

The Company evaluates each purchase transaction to determine whether the acquired assets meet the definition of a business. Transaction costs related to acquisitions that are not deemed to be businesses are included in the cost basis of the acquired assets, while transaction costs related to acquisitions that are deemed to be businesses are expensed as incurred. All of the Company's acquisitions of investment properties qualified as asset acquisitions during the periods.

Revenue Recognition

Rental income from operating leases is generally recognized on a straight-line basis over the terms of the leases. Substantially all of the Company's leases contain provisions for specified annual increases over the rents of the prior year and are generally computed in one of three methods depending on specific provisions of each lease as follows:

- (i) a specified annual increase over the prior year's rent, generally between 1.0% and 3.0%;
- (ii) a calculation based on the Consumer Price Index; or
- (iii) specific dollar increases.

Contingent revenue is not recognized until all possible contingencies have been eliminated. The Company considers the operating history of the lessee and the general condition of the industry when evaluating whether all possible contingencies have been eliminated and have historically, and expect in the future, to not include contingent rents as income until received. The Company follows a policy related to rental income whereby the Company considers a lease to be non-performing after 60 days of non-payment of past due amounts and does not recognize unpaid rental income from that lease until the amounts have been received.

Rental revenues relating to non-contingent leases that contain specified rental increases over the life of the lease are recognized on the straight-line basis. Recognizing income on a straight-line basis requires us to calculate the total non-contingent rent containing specified rental increases over the life of the lease and to recognize the revenue evenly over that life. This method results in rental income in the early years of a lease being higher than actual cash received, creating a straight-line rent receivable asset included in our accompanying consolidated balance sheets. At some point during the lease, depending on its terms, the cash rent payments eventually exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. The Company assesses the collectability of straight-line rent in accordance with the applicable accounting standards and reserve policy. If the lessee becomes delinquent in rent owed under the terms of the lease, the Company may provide a reserve against the recognized straight-line rent receivable asset for a portion, up to its full value, that the Company estimates may not be recoverable.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies (Cont.)

Revenue Recognition (cont.)

Capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. Capitalized below-market leases are accreted to rental income over the remaining terms of the respective leases and expected below-market renewal option periods.

The Company reports revenues and expenses within our triple-net leased properties for real estate taxes that are escrowed and obligations of the tenants in accordance with their respective lease with us.

Gain from sale of real estate investments was recognized when control of the property is transferred, and it is probable that substantially all consideration will be collected.

Allowance for Credit Loss

The Company evaluates the liquidity and creditworthiness of its tenants, operators and borrowers on a monthly and quarterly basis. The Company's evaluation considers industry and economic conditions, individual and portfolio property performance, credit enhancements, liquidity and other factors. The Company's tenants, borrowers and operators furnish property, portfolio and guarantor/operator-level financial statements, among other information, on a monthly or quarterly basis; the Company utilizes this financial information to calculate the lease or debt service coverages that it uses as a primary credit quality indicator. Lease and debt service coverage information is evaluated together with other property, portfolio and operator performance information, including revenue, expense, net operating income, occupancy, rental rate, reimbursement trends, capital expenditures and EBITDA (defined as earnings before interest, tax, depreciation and amortization), along with other liquidity measures. The Company evaluates, on a monthly basis or immediately upon a significant change in circumstance, its tenants', operators' and borrowers' ability to service their obligations with the Company.

The Company maintains an allowance for credit loss for straight-line rent receivables resulting from tenants' inability to make contractual rent and tenant recovery payments or lease defaults. For straight-line rent receivables, the Company's assessment is based on amounts estimated to be recoverable over the lease term.

Impairment of Long-Lived Assets and Goodwill

The Company assesses the carrying value of real estate assets and related intangibles ("real estate assets") when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company tests its real estate assets for impairment by comparing the sum of the expected future undiscounted cash flows to the carrying value of the real estate assets. The expected future undiscounted cash flows are calculated utilizing the lowest level of identifiable cash flows that are largely independent of the cash flows of other assets and liabilities. If the carrying value exceeds the expected future undiscounted cash flows, an impairment loss will be recognized to the extent that the carrying value of the real estate assets is greater than their fair value.

Goodwill is tested for impairment at least annually based on certain qualitative factors to determine if it is more likely than not that the fair value of a reporting unit is less than its' carrying value. Potential impairment indicators include a significant decline in real estate values, significant restructuring plans, current macroeconomic conditions, state of the equity and capital markets or a significant decline in the Company's market capitalization. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its' carrying value, the Company applies the required two-step quantitative approach. The quantitative procedures of the two-step approach (i) compare the fair value of a reporting unit with its carrying value, including goodwill, and, if necessary, (ii) compare the implied fair value of reporting unit goodwill with the carrying value as if it had been acquired in a business combination at the date of the impairment test. The excess fair value of the reporting unit over the fair value of assets and liabilities, excluding goodwill, is the implied value of goodwill and is used to determine the impairment amount, if any. The Company has selected the fourth quarter of each fiscal year to perform its annual impairment test.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies (Cont.)

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash and equivalents, notes receivable and operating leases on owned properties. These financial instruments are subject to the possibility of loss of carrying value as a result of the failure of other parties to perform according to their contractual obligations or changes in market prices which may make the instrument less valuable. Cash and cash equivalents, restricted cash and equivalents are held with various financial institutions. From time to time, these balances exceed the federally insured limits. These balances are maintained with high quality financial institutions which management believes limits the risk. With respect to notes receivable, the Company obtains various collateral and other protective rights, and continually monitor these rights, in order to reduce such possibilities of loss. In addition, the Company provides reserves for potential losses based upon management's periodic review of our portfolio.

On of December 31, 2025 and 2024, the Company held six notes receivable with an outstanding balance of \$20.8 million and \$16.5 million, respectively. The notes have maturities ranging from 2026 through 2046, and interest rates ranging from 2% to 10.25%. One of the notes is collateralized by tenants accounts receivable. All other notes receivable are uncollateralized as of December 31, 2025 and 2024.

Market Concentration Risk

As of December 31, 2025 and 2024, the Company owned 132 and 113 properties and leased 1 property, respectively. The facilities are located in 10 states, with 20 facilities of its total facilities located in Illinois (which include 4,226 skilled nursing beds or 27.1% of the Company's total beds) and 41 of its total facilities in Indiana (which include 3,404 skilled nursing and assisted living beds or 21.8% of the Company's total beds). Since tenant revenue is primarily generated from Medicare and Medicaid, the operations of the Company are indirectly subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to the Centers for Medicare & Medicaid Services, and the Department of Health and Aging in all states in which the Company operates. Such administrative directives, rules and regulations, including budgetary reimbursement funding, are subject to change by an act of Congress, the passage of laws by the state regulators or an administrative change mandated by one of the executive branch agencies. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change.

Debt and Capital Raising Issuance Costs

Costs incurred in connection with the issuance of equity interests are recorded as a reduction of additional paid-in capital. Debt issuance costs related to debt instruments, excluding line of credit arrangements, are deferred, recorded as a reduction of the related debt liability, and amortized to interest expense over the remaining term of the related debt liability utilizing the interest method. Deferred financing costs related to line of credit arrangements are deferred, recorded as an asset and amortized to interest expense over the remaining term of the related line of credit arrangement utilizing the interest method.

Penalties incurred to extinguish debt and any remaining unamortized debt issuance costs, discounts and premiums are recognized as income or expense in the consolidated statements of income at the time of extinguishment.

Segment Reporting

Accounting guidance regarding disclosures about segments of an enterprise and related information establishes standards for the manner in which public business enterprises report information about operating segments. The Company's investment decisions in health care properties, and resulting investments are managed as a single operating segment for internal reporting and for internal decision-making purposes. Therefore, the Company has concluded that it operates as a single segment. The Chief Operating Decision Makers for the segment is/ are: Moishe Gubin, Chairman and Chief Executive Officer and Greg Flamion, Chief Financial Officer.

Basic and Diluted Income Per Common Share

The Company calculates basic income per common share by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding during the year. At December 31, 2025 and 2024, there were 42,347,555 and 43,426,807 OP units, respectively, outstanding which were potentially dilutive securities. During the years ended December 31, 2025 and 2024 the assumed conversion of the OP units had no impact on basic and diluted income per share .

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies (Cont.)

Foreign Currency Translation and Transactions

Assets and liabilities denominated in foreign currencies that are translated into U.S. dollars use exchange rates in effect at the end of the period, and revenues and expenses denominated in foreign currencies that are translated into U.S. dollars use average rates of exchange in effect during the related period. Gains or losses resulting from translation are included in accumulated other comprehensive (loss) income, a component of equity on the consolidated balance sheets.

Gains or losses resulting from foreign currency transactions are translated into U.S. dollars at the rates of exchange prevailing at the dates of the transactions. The effects of transaction gains or losses, if any, are included in other (loss) income, in the consolidated statements of income.

Fair Value Measurement

The Company measures and discloses the fair value of nonfinancial and financial assets and liabilities utilizing a hierarchy of valuation techniques based on whether the inputs to a fair value measurement are considered to be observable or unobservable in a marketplace. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. This hierarchy requires the use of observable market data when available. These inputs have created the following fair value hierarchy:

- Level 1—quoted prices for identical instruments in active markets;
- Level 2—quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3—fair value measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company measures fair value using a set of standardized procedures that are outlined herein for all assets and liabilities which are required to be measured at fair value. When available, the Company utilizes quoted market prices from an independent third-party source to determine fair value and classifies such items in Level 1. In instances where a market price is available, but the instrument is in an inactive or over-the-counter market, the Company consistently applies the dealer (market maker) pricing estimate and classifies the asset or liability in Level 2. If quoted market prices or inputs are not available, fair value measurements are based upon valuation models that utilize current market or independently sourced market inputs, such as interest rates, option volatilities, credit spreads and/or market capitalization rates. Items valued using such internally generated valuation techniques are classified according to the lowest level input that is significant to the fair value measurement. As a result, the asset or liability could be classified in either Level 2 or Level 3 even though there may be some significant inputs that are readily observable. Internal fair value models and techniques used by the Company include discounted cash flow valuation models.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. Summary of Significant Accounting Policies (Cont.)

Real Estate Investments – Held for Sale

At December 31, 2025 and 2024, the Company had one property included in real estate investments which was held for sale and carried at the lower of their net book value or fair value on a non-recurring basis on the consolidated balance sheets. The Company's real estate investments held for sale were classified as Level 3 of the fair value hierarchy.

Stock-Based Compensation

The Company accounts for share-based payment awards in accordance with ASC Topic 718, Compensation – Stock Compensation ("ASC 718"). ASC 718 requires that the cost resulting from all share-based payment transactions be recognized in the consolidated financial statements. ASC 718 requires all entities to apply a fair value-based measurement method in accounting for share-based payment transactions. The Company recognizes share-based payments over the vesting period.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, "Expense Disaggregation Disclosures." ASU 2024-03 requires disclosure to disaggregate prescribed expenses within relevant income statement captions. The standard is effective for fiscal years beginning after December 15, 2026 and for interim periods after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact of the changes to its existing disclosures.

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU provides an optional practical expedient for estimating future credit losses based on current conditions as of the balance sheet date and assuming those conditions do not change over the remaining life of the accounts receivable. This standard is effective January 1, 2026. The adoption of this ASU did not have a material impact on the consolidated results of operations and financial condition.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU removes references to prescriptive software development stages and includes an updated framework for capitalizing internal software costs. This standard is effective January 1, 2028. The Company is currently evaluating this ASU's impact on the consolidated results of operations and financial condition.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. Restricted Cash and Equivalents

The following table presents the Company's cash and equivalents and escrow deposits:

	December 31,	
	2025	2024
	(amounts in \$000's)	
Escrow with trustee	\$ 2,170	\$ 16,609
MIP escrow accounts	790	688
Other escrow and debt deposits	270	270
Property tax and insurance escrow	6,815	7,228
Interest and expense reserve bonds escrow	12,696	8,225
HUD replacement reserves	12,205	12,263
Total restricted cash and equivalents	<u>\$ 34,946</u>	<u>\$ 45,283</u>

Escrow with trustee - The Company transfers funds to the trustee for its Series A, B, C and D bonds to cover principal and interest payments prior to the payment date.

MIP escrow accounts - The Company is required to make monthly escrow deposits for MIP on the HUD guaranteed mortgage loans.

Other escrow and debt deposits - The Company funds various escrow accounts under certain of its loan agreements, primarily to cover debt service on underlying loans.

Property tax and insurance escrow - The Company funds escrows for real estate taxes and insurance under certain of its loan agreements.

Interest and expense reserve bonds escrow - The indentures for the Series A, B, C, and D Bonds require the funding of a six-month interest reserve as well as an expense reserve. See Note 7 - Bonds, Note Payable and Other Debt.

HUD replacement reserves - The Company is required to make monthly payments into an escrow for replacement and improvement of the project assets covered by HUD guaranteed mortgage loans. A portion of the replacement reserves are required to be maintained until the applicable loan is fully paid.

NOTE 4. Real Estate Investments, net

Real estate investments consist of the following:

	Estimated Useful Lives (Years)	December 31,	
		2025	2024
		(Amounts in \$000's)	
Buildings and improvements	7-45	\$ 773,555	\$ 683,582
Equipment and personal property	2-18	123,072	104,869
Land	-	72,586	69,036
		969,213	857,487
Less: accumulated depreciation		(282,062)	(248,429)
Real estate investments, net		<u>\$ 687,151</u>	<u>\$ 609,058</u>

For the years ended December 31, 2025 and 2024, total depreciation expense was \$35.8 million and \$29.0 million, respectively.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. Real Estate Investments, net (cont.)

Acquisition of Properties

On March 25, 2024, the Company entered into a purchase agreement for a property comprised of a 68-bed skilled nursing facility and 10 bed assisted living facility near Georgetown, Indiana. The acquisition was closed on May 31, 2024 for \$5.85 million and the Company funded the acquisition by utilizing cash from the balance sheet.

On August 30, 2024 the Company completed the acquisition of two skilled nursing facilities with 254 licensed beds near San Antonio, Texas. The acquisition was for \$15.25 million. The Company funded the acquisition utilizing cash from the balance sheet.

On September 25, 2024 the Company completed the acquisition for a property comprised of an 83-bed skilled nursing facility and 25-bed assisted living facility near Nashville, Tennessee. The acquisition was for \$6.7 million and the Company funded the acquisition by assuming \$2.8 million of existing debt on the facilities, \$3.1 million common stock to the seller, and transferring \$0.8 million issuing of other assets to the seller.

On October 11, 2024, the Company acquired an 86-bed skilled nursing facility in Indianapolis, Indiana. The acquisition was for \$6.0 million and the Company funded the acquisition utilizing cash from its balance sheet. The facility was added to an existing master lease with Infinity of Indiana.

On December 20, 2024, the Company completed a purchase with an unaffiliated seller with respect to eight healthcare facilities located in Missouri. The purchase price for the facilities was \$87.5 million. The facilities were currently leased under a master lease agreement to a group of third-party tenants. Under the master lease, the tenants currently pay annual rent on a triple net basis. The eight facilities are comprised of 1,111 licensed beds. The Company purchase the facilities utilizing cash from the balance sheet and funds provided by a third-party lender.

On December 31, 2024 the Company completed the acquisition of a 100-bed skilled nursing facility in Oklahoma for \$5.0 million. Under the lease, the tenants initial annual rents are \$500,000 on a triple net basis.

On January 1, 2025, the Company entered into a new master lease for 10 Kentucky properties formally part of the Landmark Master Lease. Base rent is \$23.3 million a year and is subject to an increase based on CPI with a minimum increase of 2.50%. The initial lease term is 10 years with four 5-year extension options. Also, as part of the negotiation of the new Kentucky Master Lease, the Company entered into a 5 year note payable with the parent of the Landmark tenant for \$50.9 million dollars, included in Note Payable in the accompanying consolidated balance sheets.

On January 2, 2025, the Company acquired 6 facilities consisting of 354 beds in Kansas. The acquisition was \$24.0 million and the Company funded the acquisition utilizing cash from the consolidated balance sheets. The Company formed a new master lease for an initial 10-year period that included two 5-year extension options on a triple-net basis. Additionally, the lease will increase the Company's annual rents by \$2.4 million and is subject to 3% annual increases.

On March 31, 2025, the Company acquired a skilled nursing facility with 100 licensed beds near Oklahoma City, Oklahoma. The acquisition was \$5.0 million and was funded utilizing cash from the consolidated balance sheets. The initial term of the lease is 10 years and includes two 5-year extension options. Base rent for the property is \$0.5 million dollars annually and is subject to 3% annual increases.

On April 4, 2025, the Company completed the acquisition for a skilled nursing facility with 112 licensed beds near Houston, Texas. The acquisition was for \$11.5 million and was funded utilizing cash from the consolidated balance sheets. Base rent for this property is \$1.3 million dollars annually. The property was added to an existing master lease and is subject to an annual base rent increase of 3%. The initial term is approximately 10 years and includes two 5 year extension options.

On July 1, 2025, the Company completed the acquisition of nine skilled nursing facilities, comprised of 686 beds, located in Missouri. The acquisition was for \$59 million and the Company funded the acquisition utilizing cash from the consolidated balance sheets. Eight of the facilities were leased to the Tide Group and were added to the master lease the Company entered into in August 2024. These properties are subject to annual rent increase of 3% and the initial term is 10 years. This acquisition increased Tide Group's annual rents by \$5.5 million. The ninth facility was leased to an affiliate of Reliant Care Group L.L.C. The facility was added to the master lease the Company assumed in December 2024 and increased Reliant Care Group's annual rents by \$0.6 million.

On July 1, 2025, the Company sold Chalet of Niles, a property in Michigan that was formally part of the Landmark Master Lease, to a third-party purchaser. The property sold for \$2.7 million dollars. A loss of \$0.01 million dollars resulted from this sale. The buyer received financing from the Company for the acquisition. The financing was \$2.4 million for three years and is interest only, with an annual interest rate of 10%. The financing has a balloon payment at the end of year three.

On August 5, 2025, the Company completed the acquisition for a skilled nursing facility with 80 licensed beds near McLoud, Oklahoma. The acquisition was for \$4.25 million. The Company funded the acquisition utilizing cash from the consolidated balance sheets. The initial annual base rents are \$0.4 million dollars and subject to 3% annual rent increases. The initial term is 10 years and includes two 5 year extension options.

On August 29, 2025, the Company completed the acquisition for a healthcare facility comprised of 108 skilled nursing beds and 16 assisted living beds near Poplar Bluff, Missouri. The acquisition was for \$5.3 million. The Company funded the acquisition utilizing cash from the consolidated balance sheets. The initial annual base rents are \$0.5 million dollars and subject to 3% annual rent increases. The property was assumed by the Reliant Care master lease and is subject to the terms of the master lease.

On November 10, 2025, the Company purchased a skilled nursing facility with 60 licensed beds near Grove, Oklahoma. The acquisition was for \$3.0 million. The Company will fund the acquisition utilizing cash from the consolidated balance sheet. The property was assumed by the Oklahoma master lease and is subject to terms of the lease.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. Real Estate Investments, net (cont.)

Other Properties

In December 2022, the Company, through one of its subsidiaries, took title on a property in Massachusetts through a foreclosure. As of December 31, 2025 and 2024, the property is carried at estimated fair value of \$1.2 million and is included in real estate investments in the accompanying consolidated balance sheets.

NOTE 5. Intangible Assets and Goodwill

Intangible assets consist of the following goodwill, Certificate of Need (“CON”) licenses and lease rights:

	Goodwill including CON Licenses	Lease Rights	Total
	(Amounts in \$000's)		
<u>Balances, December 31, 2023</u>			
Gross	\$ 1,323	\$ 54,577	\$ 55,900
Accumulated amortization	\$ -	\$ (47,296)	\$ (47,296)
Net carrying amount	\$ 1,323	\$ 7,281	\$ 8,604
Acquisition of lease rights	\$ -	\$ 24,000	\$ 24,000
Amortization for the year ended December 31, 2024	\$ -	\$ (4,657)	\$ (4,657)
<u>Balances, December 31, 2024</u>			
Gross	\$ 1,323	\$ 78,577	\$ 79,900
Accumulated amortization	\$ -	\$ (51,953)	\$ (51,953)
Net carrying amount	\$ 1,323	\$ 26,624	\$ 27,947
Lease amendment	\$ -	\$ 50,880	\$ 50,880
Amortization for the year ended December 31, 2025	\$ -	\$ (10,475)	\$ (10,475)
<u>Balances, December 31, 2025</u>			
Gross	\$ 1,323	\$ 129,457	\$ 130,780
Accumulated amortization	\$ -	\$ (62,428)	\$ (62,428)
Net carrying amount	\$ 1,323	\$ 67,029	\$ 68,352

Estimated amortization expense for all finite-lived intangible assets for each of the future years ending December 31, is as follows:

	Amortization of Lease Rights
	(Amounts in \$000's)
2026	\$ 8,175
2027	7,949
2028	7,564
2029	7,488
2030	7,488
Thereafter	28,365
<u>Total</u>	<u>\$ 67,029</u>

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. Leases

As of December 31, 2025 and 2024, the Company had leased 133 properties and 114 properties, respectively, to tenant/operators in the states of Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. As of December 31, 2025 and 2024, all of the Company's healthcare facilities were leased. Most of these facilities are leased on a triple-net basis, meaning that the lessee (*i.e.*, operator of the facility) is obligated under the lease for all expenses of the property in respect to insurance, taxes and property maintenance, as well as the lease payments.

The following table provides additional information regarding the properties owned/leased for the periods indicated:

	December 31,	
	2025	2024
Cumulative number of properties	133	114
Cumulative number of operational beds	15,602	14,186

The following table provides additional information regarding the properties/facilities leased by the Company as of December 31, 2025:

State	Number of Operational Beds/Units	Owned by Company	Leased by Company	Total
Illinois	4,226	20	-	20
Indiana	3,404	35	1	36
Ohio	238	4	-	4
Tennessee	1,412	15	-	15
Kentucky	1,163	10	-	10
Arkansas	1,568	13	-	13
Kansas	354	6	-	6
Missouri	1,921	18	-	18
Oklahoma	477	5	-	5
Texas	839	6	-	6
Total properties	15,602	132	1	133
Facility Type				
Skilled Nursing Facilities	15,195	130	1	131
Long-Term Acute Care Hospitals	63	2	-	2
Assisted Living Facility	344	10	-	10
Total facilities	15,602	142	1	143

As of December 31, 2025, total future minimum rental revenues for the Company's tenants are as follows:

Year	Amount
(Amounts in \$000's)	
2026	\$ 134,750
2027	138,139
2028	136,368
2029	130,572
2030	131,587
Thereafter	388,668
Total	\$ 1,060,084

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. Leases (cont.)

The following table provides summary information regarding the number of operational beds associated with a property leased by the Company and subleased to third-party operators:

	December 31,	
	2025	2024
Number of facilities leased and subleased to third-parties	1	1
Number of operational beds	68	68

Right of use assets and operating lease liabilities are disclosed as separate line items in the consolidated balance sheets and are valued based on the present value of the future minimum lease payments at lease commencement. As the Company's leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense is recognized on a straight-line basis over the lease term. The Company's operating lease obligation is for one skilled nursing facility. The lease expires on March 1, 2028 and has two five-year renewal options. The lease is a triple net lease, which requires the Company to pay real and personal property taxes, insurance expenses and all capital improvements. The Company subleases the building as part of the Indiana master lease. Based on the sublease with the Company's tenant, the tenant is required to pay real and personal property taxes, insurance expenses and all capital improvements.

The components of lease expense and other lease information are as follows (dollars in thousands):

	Years ended December 31,	
	2025	2024
Operating lease cost	\$ 397	\$ 637

	As of December 31,	
	2025	2024
Operating lease right of use asset	\$ 851	\$ 1,204
Operating lease liability	\$ 851	\$ 1,204
Weighted average remaining lease term-operating leases (in years)	2.19	3.25
Weighted average discount rate	4.1%	4.1%

Future minimum operating lease payments under non-cancellable leases as of December 31, 2025, reconciled to the Company's operating lease liability presented on the consolidated balance sheets:

	(Amounts in \$000s)
2026	\$ 397
2027	397
2028	100
Total	\$ 894
Less Interest	(43)
Total operating lease liability	\$ 851

Other Properties leased by the Company

The Company, through one of its subsidiaries, leases its office spaces from a related party. Rental expense under the leases for the year ended December 31, 2025 and 2024, was \$218,000 and \$214,000 , respectively.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt

Bonds, Note Payable and Other Debt consist of the following:

	Weighted Average Interest Rate at December 31, 2025	December 31, 2025	December 31, 2024
		(Amounts in \$000s)	
HUD guaranteed loans	3.26%	\$ 254,085	\$ 262,150
Bank loans	7.17%	163,177	198,441
Series A, B, C, and D bonds	6.78%	334,766	213,344
Note payable	10.00%	42,624	-
Gross bonds, note payable, and other debt		\$ 794,652	\$ 673,935
Debt issuance costs		(4,154)	(3,400)
Net bonds, note payable, and other debt		\$ 790,498	\$ 670,535

Principal payments on the Bonds, Note Payable and Other Debt payable through maturity are as follows (amounts in \$000s):

Year Ending December 31	Amount
2026	\$ 258,877
2027	83,288
2028	63,414
2029	169,993
2030	9,483
Thereafter	209,597
Total Principal Payments on Bonds, Note Payable and Other Debt	\$ 794,652

Debt Covenant Compliance

As of December 31, 2025 and 2024, the Company was party to approximately 45 and 43 outstanding credit related instruments, respectively. These instruments included note payable, credit facilities, mortgage notes, bonds and other credit obligations. Some of the instruments include financial covenants. Covenant provisions include, but are not limited to, debt service coverage ratios, and minimum levels of EBITDA (defined as earnings before interest, tax, and depreciation and amortization) or EBITDAR (defined as earnings before interest, tax, depreciation and amortization and rental expense). Some covenants are based on annual financial metric measurements, and some are based on quarterly financial metric measurements. The Company routinely tracks and monitors its compliance with its covenant provisions. As of December 31, 2025, the Company was in compliance with all financial and administrative covenants.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Senior Debt—Mortgage Loans Guaranteed by HUD

As of December 31, 2025 and 2024, the Company had HUD guaranteed mortgage loans from financial institutions of \$254 million and \$262 million, respectively. These loans were secured by first mortgage liens on the applicable properties, assignments of rent and second liens on the operator's assets. The Company pays HUD annual mortgage insurance premiums of 0.65% of the loan balances in addition to the interest rate. As a result, the overall interest rate paid by the Company with respect to the HUD guaranteed loans as of December 31, 2025 and 2024 was 3.91%, (including the mortgage insurance premium).

Commercial Bank Mortgage Loan Facilities

On March 21, 2022, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$105 million. The facility provides for monthly payments of principal and interest based on a 20-year amortization with a balloon payment due in March 2027. The rate is based on the one-month Secured Overnight Financing Rate ("SOFR") plus a margin of 3.5% and a floor of 4% (as of December 31, 2025 the rate was 7.37%). On June 30, 2025, the company paid down \$30.0 million dollars of the outstanding loan. As of December 31, 2025 and 2024, total outstanding balance was \$61.2 million and \$95.1 million, respectively. This loan is collateralized by 21 properties owned by the Company. The loan proceeds were used to repay the Series B Bonds and prepay certain bank loans not secured by HUD guaranteed mortgages.

On August 25, 2023, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$66 million. The facility provides for monthly payments of interest only for the first 12 months and principal and interest thereafter based on a 20-year amortization with a balloon payment due in August 2028. The rate is based on the one-month SOFR plus a margin of 3.5% and a floor of 4% (as of December 31, 2025, the rate was 7.37%). On December 17, 2024 the company paid down \$24 million dollars of the outstanding loan. As of December 31, 2025 and 2024, total outstanding balance was \$40.3 million and \$41.6 million, respectively. This loan is collateralized by 19 properties owned by the Company.

On September 25, 2024, the Company acquired a property, located in Tennessee. As part of the acquisition of the property the Company assumed a \$2.8 million loan that previously existed on the property. The loan bears a fixed 6.25% annual interest rate. The loan term matures on April 23, 2026. As of December 31, 2025 and 2024 the outstanding balance of the loan was \$2.7 million and \$2.8 million, respectively.

On December 19, 2024, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$59 million. The facility provides for monthly payments of interest and payment of principal and interest that began on January 2026 based on a 20-year amortization with a balloon payment due in December 2029. The rate is based on the one-month SOFR plus a margin of 3.0% and a floor of 4% (as of the December 31, 2025, the rate was 6.87%). As of December 31, 2025 and 2024, total outstanding principal amount was \$59 million. This loan is collateralized by 8 properties owned by the Company. The loan proceeds were used to acquire the Missouri facilities.

The two credit facilities that closed in March 21, 2022 and August 25, 2023 are subject to financial covenants which consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.20 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$20 million. As of December 31, 2025, the Company was in compliance with the loan covenants.

The credit facility closed on December 19, 2024 is subject to financial covenants which consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.25 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$30 million. As of December 31, 2025, the Company was in compliance with the loan covenants.

Series A Bonds

In August 2024, Strawberry Fields, Inc completed, directly, an initial offering on the Tel Aviv Stock Exchange ("TASE") of Series A Bonds with a par value of NIS 145.6 million (\$37.1 million). The series A Bonds were issued at par. Offering and issuance costs of approximately \$1.0 million were incurred at closing. In December 2024, the Company issued an additional NIS 145.6 million (\$38.1 million) in Series A Bonds.

Exchange of Series D Bonds for Series A Bonds

In September 2024, the Company made an exchange tender offer of outstanding Series D Bonds for Series A Bonds. The interest rate on Series D Bonds is 9.1% per annum. The exchange offer rate was 1.069964 Series A Bonds per Series D Bonds. As a result of this offer, 47.3 million NIS Series D Bonds (\$12.7 million) were exchanged for 50.6 million NIS Series A Bonds (\$13.6 million).

As of December 31, 2025 and 2024, the outstanding balance of the Series A Bonds were \$94.7 million and \$88.5 million, respectively. Increases in the outstanding balance are due to a change in the exchange rate.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Interest

The Series A Bonds have an interest rate of 6.97% per annum. In July 2024, Standard & Poor's provided an initial rating for the Series A Bonds of iA+.

Interest on the Series A Bonds is payable semi-annually in arrears on March 31 and September 30 of each year. The interest rate may increase if certain financial ratios are not achieved, as discussed below.

Payment Terms

The principal amount of the Series A Bonds is payable in three annual installments due on September 30 of each of the years 2024 through 2026. The first two principal payments are equal to 6% of the original principal amount of the Series A Bonds, and the last principal payment is equal to the outstanding principal amount of the Series A Bonds.

Financial Covenants

Until the date of full repayment of the Series A Bonds, the Company must comply with certain financial covenants described below. The application of the covenants is based on the consolidated financial statements of the Company as prepared under the GAAP accounting method. The financial covenants are as follows:

- On the last day of each calendar quarter, the consolidated equity of the Company (excluding minority rights), as set forth in the Company's consolidated financial statements, will not be less than USD 20 million
- On the last day of each calendar quarter, the ratio between the Financial Debt and EBITDA shall not exceed 10
- The DSCR shall not be less than 1.05

Dividend Restrictions

As long as the Company does not breach any of the Financial Covenants, no distribution restriction shall hinder the Company. If the Company is in non-compliance with one or more of the Financial Covenants, the Company can make a distribution in an amount that does not exceed the amount required to meet the U.S. legal requirements applicable to REITs.

Increase in Interest Rate

In the event that:

- The Company's bond rating iA+ or equivalent is lowered
- The EBITDA ratio exceeds 8
- EBITDA to total debt service payments fall below 1.10
- Consolidated Equity is less than USD \$30 million

An additional rate of 0.25% will take place per deviation from the financial covenants, with a maximum additions rate not to exceed 1.5% above the interest rate determined on the tender.

Security

The Company has committed not to pledge its assets under general liens without obtaining the consent in advance of the Bond holders. Nevertheless, The Company is entitled to register specific liens on its properties and also to provide guarantees; and its subsidiaries are entitled to register liens, including general and specific, on their assets.

Additional Bonds

Inc Company can issue additional Series A Bonds at any time not to exceed a maximum outstanding of NIS 550 million (or \$172.4 million).

Redemption Provisions

The Company may, at its discretion, call the Series A Bonds for early repayment. In the event of the redemption of all of the Series A Bonds, the Company would be required to pay the highest of the following amounts:

- the market value of the balance of the Series A Bonds in circulation which will be determined based on the average closing price of the Series A Bonds for thirty (30) trading days before the date on which the board of directors resolves to undertake the early redemption; or
- the par value of the Series A Bonds available for early redemption in circulation (i.e., the principal balance of the Series A Bonds plus accrued interest until the date of the actual early redemption); or
- the balance of the payments under the Series A Bonds (consisting of future payments of principal and interest), when discounted to their present value based on the annual yield of the Israeli government bonds plus an "additional rate" of 3.0% per annum.

Change of Control

The holders of a majority of the Series A Bonds may accelerate the repayment of outstanding balance of the Bonds if the control of the Company is transferred, directly or indirectly, unless the transfer of control is approved by the holders of a majority of the Series A Bonds.

For the purpose of this provision, a transfer of control means a change of control of the Company such that the Company has a controlling stockholder that is not any of the "controlling stockholders" and/or is in the hands of any of their immediate family members (including through trusts that the controlling stockholders and/or any of their immediate family members are the beneficiaries under and/or are their managers). In this regard, "control" is defined in the Israeli Companies Law

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series B Bonds

In June 2025, Strawberry Fields REIT, Inc completed, directly, an initial offering on the TASE of Series B Bonds with a par value of NIS 312 million (\$89.5 million). The series B Bonds were issued at par. Offering and issuance costs of approximately \$2.5 million were incurred at closing. On December 16, 2025, Strawberry Fields REIT issued additional Series B Bonds with a par value of NIS 30.0 million (gross). The bonds were issued at 99.21 and raised a net amount of NIS 29.4 million (\$9.2 million), offering and issuance costs of approximately \$.02 million incurred at closing. As of December 31, 2025, the outstanding balance of the Series B Bonds was \$107.2 million. Increases in the outstanding balance is due to a change in the exchange rate.

Interest

The Series B Bonds have an interest rate of 6.70% per annum. In June 2025, Standard & Poor's provided an initial rating for the Series B Bonds of iIA+.

Interest on the Series B Bonds is payable semi-annually in arrears on June 30 and December 31 of each year. The interest rate may increase if certain financial ratios are not achieved, as discussed below.

Payment Terms

The principal amount of the Series B Bonds is payable in four annual installments due on June 30 of each of the years 2026 through 2029. The first three principal payments are equal to 4% of the original principal amount of the Series B Bonds, and the last principal payment is equal to the outstanding principal amount of the Series B Bonds.

Financial Covenants

Until the date of full repayment of the Series B Bonds, the Company must comply with certain financial covenants described below. The application of the covenants is based on the consolidated financial statements of the Company as prepared under the GAAP accounting method. The financial covenants are as follows:

- On the last day of each calendar quarter, the consolidated equity of the Company (excluding minority rights), as set forth in the Company's consolidated financial statements, will not be less than USD 20 million.
- On the last day of each calendar quarter, the ratio between the Financial Debt and EBITDA shall not exceed 10
- The DSCR shall not be less than 1.05

Dividend Restrictions

As long as the Company does not breach any of the Financial Covenants, no distribution restriction shall hinder the Company. If the Company is in non-compliance with one or more of the Financial Covenants, the Company can make a distribution in an amount that does not exceed the amount required to meet the U.S. legal requirements applicable to REITs.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Senior Debt (Cont.)

Increase in Interest Rate

In the event that:

- The Company's bond rating iIA+ or equivalent is lowered
- The financial debt to EBITDA ratio exceeds 8
- EBITDA to total debt service payments fall below 1.10
- Consolidated Equity is less than USD \$30 million

An additional rate of 0.25% will take place per deviation from the financial covenants, with a maximum additions rate not to exceed 1.5% above the interest rate determined on the tender.

Security

The Company has committed not to pledge its assets under general liens without obtaining the consent in advance of the Bond holders. Nevertheless, The Company is entitled to register specific liens on its properties and also to provide guarantees; and its subsidiaries are entitled to register liens, including general and specific, on their assets.

Additional Bonds

Inc Company can issue additional Series B Bonds at any time and the series does not have a formal ceiling. However, the new issuances are subject to regulatory oversight.

Redemption Provisions

The Company may, at its discretion, call the Series B Bonds for early repayment. In the event of the redemption of all of the Series B Bonds, the Company would be required to pay the highest of the following amounts:

- the market value of the balance of the Series B Bonds in circulation which will be determined based on the average closing price of the Series B Bonds for thirty (30) trading days before the date on which the board of directors resolves to undertake the early redemption; or
- the par value of the Series B Bonds available for early redemption in circulation (i.e., the principal balance of the Series B Bonds plus accrued interest until the date of the actual early redemption); or
- the balance of the payments under the Series B Bonds (consisting of future payments of principal and interest), when discounted to their present value based on the annual yield of the Israeli government bonds plus an "additional rate" of 3.0% per annum.

Change of Control

The holders of a majority of the Series B Bonds may accelerate repayment of the outstanding balance of the Bonds if the control of the Company is transferred, directly or indirectly, unless the transfer of control is approved by the holders of a majority of the Series B Bonds.

For the purpose of this provision, a transfer of control means a change of control of the Company such that the Company has a controlling stockholder that is not any of the "controlling stockholders" and/or is in the hands of any of their immediate family members (including through trusts that the controlling trusts that the controlling stockholders and/or any of their immediate family members are the beneficiaries under and/or are their managers). In this regard, "control" is defined in the Israeli Companies Law.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series C Bonds

In July 2021, the BVI Company completed an initial offering on the Tel Aviv Stock Exchange (“TASE”) of Series C Bonds with a par value of NIS 208.0 million (\$64.7 million). These Series C Bonds were issued at par. Offering and issuance costs of approximately \$1.7 million were incurred at closing. In February 2023, the BVI Company issued an additional NIS 40.0 million (\$11.3 million) in Series C Bonds, offering and issuance costs of approximately \$0.9 million were incurred at closing. In October 2024, the BVI company issued an additional NIS 62.0 million (\$16.6 million) in Series C Bonds, offering and issuance costs of approximately \$0.8 million were incurred at closing.

As of December 31, 2025 and 2024, the total Series C Bond outstanding was \$77.7 million and \$73.3 million, respectively. Increases in the outstanding balance is due to a change in the exchange rate.

Interest

The Series C Bonds initially bore interest at a rate of 5.7% per annum. In July 2021, Standard & Poor’s provided an initial rating for the Series C Bonds of iIA+.

Interest on the Series C Bonds is payable semi-annually in arrears on July 31 and January 31 of each year. The interest rate may increase if certain financial ratios are not achieved, as discussed below.

Payment Terms

The principal amount of the Series C Bonds is payable in five annual installments due on July 31 of each of the years 2022 through 2026. The first four principal payments are equal to 6% of the original principal amount of the Series C Bonds, and the last principal payment is equal to the outstanding principal amount of the Series C Bonds.

Financial Covenants

Until the date of full repayment of the Series C Bonds, the BVI Company must comply with certain financial covenants described below. The application of the covenants is based on the financial statements of the BVI Company as prepared under the IFRS accounting method. The financial covenants are as follows:

- The stockholders’ equity of the BVI Company may not be less than \$230 million.
- The ratio of the consolidated stockholders’ equity of the BVI Company to its total consolidated balance sheet may not be less than 25%.
- The ratio of the adjusted net financial debt to adjusted EBITDA of the BVI Company (for the past four quarters) may not exceed 12.
- The ratio of the outstanding amount of the Series C Bonds to the fair market value of the collateral may not exceed 75%.

Dividend Restrictions

The indenture for the Series C Bonds limits the amount of dividends that may be paid by the BVI Company to its stockholders. The BVI Company may not make any distribution unless all of the following conditions are fulfilled (with all amounts calculated under IFRS):

- The distribution amount may not exceed 80% of the net profit after tax that is recognized in the most recent consolidated financial statements of the BVI Company, less profits or losses arising from a change in accounting methods, net revaluation profits/losses (that have not yet been realized) arising from a change in the fair value of the assets with respect to the fair value in prior reporting period.
- The ratio of the consolidated stockholders’ equity of the BVI Company to its total consolidated balance sheet may not be less than 30%.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series C Bonds (Cont.)

Dividend Restrictions (Cont.)

- The distributable profits for which no distribution was performed in a specific year will be added to the following quarters.
- The BVI Company's equity at the end of the last quarter, before the distribution of dividends, less the dividends distributed, may not be less than \$250 million.
- The BVI Company meets the financial conditions described above, and the Company is not in violation of all and/or any of its material undertakings to the holders of the Series C Bonds.

Increase in Interest Rate

In the event that:

- (i) the stockholders' equity of BVI Company (excluding minority interests) is less than \$250 million;
- (ii) the ratio of the adjusted net financial debt to adjusted EBITDA (for the latest four quarters) exceeds 11;
- (iii) the ratio of the consolidated equity of the BVI Company to total consolidated assets of the BVI Company is below 27%; or
- (iv) the ratio of outstanding amount of the Series C Bonds to the fair market value of the collateral for the Series B Bonds exceeds 75%,

then, in each case, the interest on the Series C Bonds will increase by an additional 0.5% annually, but only once with respect to each failure to meet these requirements. Compliance with these financial covenants is measured quarterly.

Additionally, if a decline in the rating of the Series C Bonds should take place, then for each single ratings decrease, the interest will be increased by 0.25% per year, up to a maximum increment of 1.25% annually.

In any case, the total increase in the interest rate as a result of the above adjustments will not exceed 1.5% per year. The increases in the interest rate will also be reversed if the BVI Company regains compliance.

Security

The Series C Bonds are secured by first mortgage liens on eight properties. In addition, the Series C Bonds are also secured by interest and expenses reserves. The BVI Company has agreed not to pledge its assets pursuant to a general lien without obtaining the prior consent of the holders of the Series C Bonds, provided that the BVI Company is entitled to register specific liens on its properties and also to provide guarantees and its subsidiaries are entitled to register general and specific liens on their assets.

Under the terms of the indenture for the Series C Bonds, the BVI Company can take out properties from the collateral (in case of HUD refinancing) or to add properties and increase the Series C Bonds as long as the ratio of outstanding amount of the Series C Bonds to fair market value of the collateral is not more than 65%. In addition, starting from July 1, 2023, if the fair market value of the collateral is below 55%, the BVI Company can request to release collateral so the fair market value will increase to 55%.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series C Bonds (cont.)

Additional Bonds

The BVI Company can issue additional Series C Bonds at any time not to exceed a maximum of NIS 630 million (or \$197.5 million).

Redemption Provisions

The BVI Company may, at its discretion, call the Series C Bonds for early repayment. In the event of the redemption of all of the Series C Bonds, the BVI Company would be required to pay the highest of the following amounts:

- the market value of the balance of the Series C Bonds in circulation which will be determined based on the average closing price of the Series B Bonds for thirty (30) trading days before the date on which the board of directors resolves to undertake the early redemption; or
- the par value of the Series C Bonds available for early redemption in circulation (i.e., the principal balance of the Series C Bonds plus accrued interest until the date of the actual early redemption); or
- the balance of the payments under the Series C Bonds (consisting of future payments of principal and interest), when discounted to their present value based on the annual yield of the Israeli government bonds plus an “additional rate.” The additional rate will be 3.0% per annum for early repayment as of December 31, 2025.

Change of Control

The holders of a majority of the Series C Bonds may accelerate repayment of the outstanding balance of the Bonds if the control of the BVI Company is transferred, directly or indirectly, unless the transfer of control is approved by the holders of a majority of the Series C Bonds.

For the purpose of this provision, a transfer of control means a change of control of the BVI Company such that the BVI Company has a controlling stockholder that is not any of the “controlling stockholders” and/or is in the hands of any of their immediate family members (including through trusts that the controlling stockholders and/or any of their immediate family members are the beneficiaries under and/or are their managers). In this regard, “control” is defined in the Israeli Companies Law.

For purposes of the Series C Bonds, the “controlling stockholders” of the BVI Company are deemed to be Moishe Gubin and Michael Blisko.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series D Bonds

In June 2023, the BVI Company completed an initial offering on the TASE of Series D Bonds with a par value of NIS 82.9 million (\$22.9 million). These Series D Bonds were issued at par. Offering and issuance costs of approximately \$0.6 million were incurred at closing. In July 2023, the BVI Company issued an additional NIS 70 million (\$19.2 million) in Series D Bonds. On February 8, 2024, the BVI Company issued additional Series D Bonds with a par value of NIS 100.0 million (gross) and raised a net amount of NIS 98.2 million (\$25.7 million), offering and issuance costs of approximately \$.05 million incurred at closing.

Exchange of Series D Bonds for Series A Bonds

In September 2024, the Company made an exchange tender offer of outstanding Series D Bonds for series A Bonds. The interest rate on Series A Bonds is 6.97% per annum. The exchange offer rate was 1.069964 Series A Bonds per Series D Bonds. As a result of this offer, 47.3 million NIS Series D Bonds (\$12.7 million) were exchanged for NIS 50.6 million Series A Bonds (\$13.6 million).

As of December 31, 2025 and 2024, the outstanding balance of the Series D Bonds were \$55.1 million and \$51.5 million, respectively. Increase in outstanding balance was due to a change in exchange rate.

Interest

The Series D Bonds initially bore interest at a rate of 9.1% per annum. In June 2023, Standard & Poor's provided an initial rating for the Series D Bonds of iIA.

Interest on the Series D Bonds is payable semi-annually in arrears on March 31 and September 30 of each year. The interest rate may increase if certain financial ratios are not achieved, as discussed below.

Payment Terms

The principal amount of the Series D Bonds is payable in three annual installments due on September 30 of each of the years 2024 through 2026. The first two principal payments are equal to 6% of the original principal amount of the Series D Bonds, and the last principal payment is equal to the outstanding principal amount of the Series D Bonds.

Financial Covenants

Until the date of full repayment of the Series D Bonds, the BVI Company must comply with certain financial covenants described below. The application of the covenants is based on the financial statements of the BVI Company as prepared under the IFRS accounting method. The financial covenants are as follows:

- The stockholders' equity of the BVI Company may not be less than \$230 million.
- The ratio of the Consolidated stockholders' equity of the BVI Company to its total Consolidated balance sheet may not be less than 25%.
- The ratio of the adjusted net financial debt to adjusted EBITDA of the BVI Company (for the past four quarters) may not exceed 12.

Dividend Restrictions

The indenture for the Series D Bonds limits the amount of dividends that may be paid by the BVI Company to its stockholders. The BVI Company may not make any distribution unless all of the following conditions are fulfilled (with all amounts calculated under IFRS):

- The distribution amount may not exceed 80% of the net profit after tax that is recognized in the most recent Consolidated financial statements of the BVI Company, less profits or losses arising from a change in accounting methods, net of revaluation profits/losses (that have not yet been realized) arising from a change in the fair value of the assets with respect to the fair value in the prior reporting period.
- The ratio of the consolidated stockholders' equity of the BVI Company to its total consolidated balance sheet may not be less than 30%.
- The distributable profits for which no distribution was performed in a specific year will be added to the following quarters.
- The BVI Company's equity at the end of the last quarter, before the distribution of dividends, less the dividends distributed, may not be less than \$250 million.
- The BVI Company meets the financial conditions described above, and the BVI Company is not in violation of all and/or any of its material undertakings to the holders of the Series D Bonds as of December 31, 2025.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other Debt (cont.)

Series D Bonds (Cont.)

Increase in Interest Rate

In the event that:

- (i) the stockholders' equity of the BVI Company (excluding minority interests) is less than \$250 million;
- (ii) the ratio of the adjusted net financial debt to adjusted EBITDA (for the latest four quarters) exceeds 11;
- (iii) the ratio of the consolidated equity of the BVI Company to total consolidated assets of the BVI Company is below 27%; or

then, in each case, the interest on the Series D Bonds will increase by an additional 0.5% annually, but only once with respect to each failure to meet these requirements. Compliance with these financial covenants is measured quarterly.

Additionally, if a decline in the rating of the Series D Bonds should take place, then for each single ratings decrease, the interest will be increased by 0.25% per year, up to a maximum increment of 1.25% annually.

In any case, the total increase in the interest rate as a result of the above adjustments will not exceed 1.5% per year. The increases in the interest rate will also be reversed if the BVI Company regains compliance.

Security

The BVI Company has committed not to pledge its assets under general liens without obtaining the consent in advance of the Bond holders. Nevertheless, the BVI Company is entitled to register specific liens on its properties and also to provide guarantees; and its subsidiaries are entitled to register liens, including general and specific, on their assets.

Additional Bonds

The BVI Company can issue additional Series D Bonds at any time not to exceed a maximum outstanding of NIS 450 million (or \$141.1 million).

Redemption Provisions

The BVI Company may, at its discretion, call the Series D Bonds for early repayment. In the event of the redemption of all of the Series D Bonds, the BVI Company would be required to pay the highest of the following amounts:

- the market value of the balance of the Series D Bonds in circulation which will be determined based on the average closing price of the Series D Bonds for thirty (30) trading days before the date on which the board of directors resolves to undertake the early redemption; or
- the par value of the Series D Bonds available for early redemption in circulation (i.e., the principal balance of the Series D Bonds plus accrued interest until the date of the actual early redemption); or
- the balance of the payments under the Series D Bonds (consisting of future payments of principal and interest), when discounted to their present value based on the annual yield of the Israeli government bonds plus an "additional rate." The additional rate would have been 1.0% per annum for early repayment performed by September 30, 2024, and 3.0% thereafter.

Change of Control

The holders of a majority of the Series D Bonds may accelerate repayment of the outstanding balance of the Bonds if the control of the BVI Company is transferred, directly or indirectly, unless the transfer of control is approved by the holders of a majority of the Series D Bonds.

For purposes of the Series D Bonds, the "controlling stockholders" of the BVI Company are deemed to be Moishe Gubin and Michael Blisko.

For the purpose of this provision, a transfer of control means a change of control of the BVI Company such that the BVI Company has a controlling stockholder that is not any of the "controlling stockholders" and/or is in the hands of any of their immediate family members (including through trusts that the controlling stockholders and/or any of their immediate family members are the beneficiaries under and/or are their managers). In this regard, "control" is defined in the Israeli Companies Law.

Note Payable

On January 1, 2025, the Company created a new Kentucky Master Lease with a new third-party operator. This master lease was created from 10 properties that were formally in the Landmark Master Lease. In order to release the properties from the Landmark Master Lease, the Company entered into a \$50.9 million dollar note payable with the parent of the Landmark operator. The note is for equal monthly payments of \$1.1 million dollars for 5 years and bears interest of 10.0%. As of December 31, 2025, the outstanding balance of the note payable was \$42.6 million.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. Commitments and Contingencies

Commitments

The Company guarantees from time-to-time obligations of its wholly-owned subsidiaries.

Contingencies

We are not currently a party to any material legal proceedings, that are not covered by insurance and expected to be resolved within policy limits, other than the following:

In March 2020, Joseph Schwartz, Rosie Schwartz and certain companies owned by them filed a complaint in the U.S. District Court for the Northern District of Illinois against Moishe Gubin, Michael Blisko, the Predecessor Company and 21 of its subsidiaries, as well as the operators of 17 of the facilities operated at our properties. The complaint was related to the Predecessor Company's acquisition of 16 properties located in Arkansas and Kentucky that were completed between May 2018 and April 2019 and the attempt to purchase an additional five properties located in Massachusetts. The complaint was dismissed by the Court in 2020 on jurisdictional grounds. The plaintiffs did not file an appeal with respect to this action, and the time for an appeal has expired.

In August 2020, Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a second complaint in the Circuit Court in Pulaski County, Arkansas. The second complaint had nearly identical claims as the federal case, but was limited to matters related to the Predecessor Company's acquisition of properties located in Arkansas. The sellers, which were affiliates of Skyline Health Care, had encountered financial difficulties and requested the Predecessor Company to acquire these properties. The defendants have filed an answer denying the plaintiffs' claims and asserting counterclaims based on breach of contract. This case has been dismissed without prejudice.

In January 2021, Joseph Schwartz, Rosie Schwartz and certain companies owned by them filed a third complaint in Illinois state court in Cook County, Illinois, which has nearly identical claims to the initial federal case, but was limited to claims related to the Kentucky and Massachusetts properties. The complaint has not been properly served on any of the defendants, and, accordingly, the defendants did not respond to the complaint. Instead, the defendants filed a motion to quash service of process. On January 11, 2023, the Cook County Circuit Court entered an order granting such motion, quashing service of process on all defendants. In March 2023, the plaintiffs filed a new complaint and again attempted to serve it on the defendants. It is the defendants' position that service was (once again, potentially) defective and sought a dismissal of the matter for want of prosecution by Joseph Schwartz, Rosie Schwartz and certain companies owned by them. The dismissal was granted, but has been appealed to the Illinois Appellate Court, with no substantive movement on the matter to date.

In April of 2024, Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a fourth complaint in the Circuit Court in Pulaski County, Arkansas. This fourth complaint had nearly identical claims as the federal case and the Illinois state court matter. In November 2024, the court dismissed all rescission claims, finding plaintiffs had an adequate remedy at law in the form of monetary damages, ordered dissolution of a lis pendens plaintiffs had filed against certain properties, and identified additional pleading deficiencies in the complaint. The court granted plaintiffs leave to amend, and plaintiffs filed a second amended complaint. On March 10, 2026, the court dismissed the second amended complaint with prejudice as to all defendants, finding that plaintiffs failed to cure the previously identified deficiencies. The court also denied plaintiffs' motion for a temporary and permanent restraining order, finding no irreparable harm, an adequate remedy at law, and no likelihood of success on the merits. The dismissal with prejudice bars plaintiffs from refiling these claims, subject to any appeal. As of the date of this filing, no appeal has been filed.

In each of these complaints, the plaintiffs asserted claims for fraud, breach of contract and rescission arising out of the defendants' alleged failure to perform certain post-closing obligations under the purchase contracts. We have potential direct exposure for these claims because the subsidiaries of the Predecessor Company that were named as defendants are now subsidiaries of the Operating Partnership. Additionally, the Operating Partnership is potentially liable for the claims made against Moishe Gubin, Michael Blisko and the Predecessor Company pursuant to the provisions of the contribution agreement, under which the Operating Partnership assumed all of the liabilities of the Predecessor Company and agreed to indemnify the Predecessor Company and its affiliates for such liabilities. We and the named defendants believe that the claims set forth in the complaints are without merit. The named defendants intend to vigorously defend the litigation and to assert counterclaims against the plaintiffs based on their failure to fulfill their obligations under the purchase contracts, interim management agreement, and operations transfer agreements. We believe this matter will be resolved without a material adverse effect to the Company. As described above, the federal action was dismissed for lack of subject matter jurisdiction, the first Arkansas action was dismissed without prejudice, the Illinois state court action has been dismissed, and the second Arkansas action (filed April 2024) was dismissed with prejudice on March 10, 2026. The plaintiffs have 30 days from March 10, 2026 (the date the court entered the dismissal order) to file a notice of appeal. As of the date of this filing, no notice of appeal has been filed.

As noted above, the March 2020, January 2021 and April 2024 complaints also related to the Predecessor Company's planned acquisition of five properties located in Massachusetts. A subsidiary of the Predecessor Company purchased loans related to these properties in 2018 for a price of \$7.74 million with the expectation that the subsidiaries would acquire title to the properties and the loans would be retired. The subsidiary subsequently advanced \$3.1 million under the loans to satisfy other liabilities related to the properties. The planned acquisition/settlement with the sellers/owners and/borrowers was not consummated because the underlying tenants of the properties surrendered their licenses to operate healthcare facilities on these properties.

The Predecessor Company intends to institute legal proceedings to collect the outstanding amount of these loans and to assert related claims against the sellers and their principals for the unpaid principal balances as well as protective advances and collection costs. In connection with enforcing their rights, in July 2022, the Company foreclosed, and (as lender) sold four of the five properties at auction for the total amount of \$4.4 million. In December 2022, the Company took title on the fifth property with an estimated fair value of \$1.2 million.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Equity Incentive Plan

The Company has adopted the 2021 Equity Incentive Plan (the “Plan”). The Plan permits the grant of both options qualifying under Section 422 of the Internal Revenue Code (“incentive stock options”) and options not so qualifying, and the grant of stock appreciation rights, stock awards, incentive awards, performance units, and other equity-based awards. A total of 250,000 shares have been authorized to be granted under the Plan. On May 30, 2024, shareholders approved an amendment to increase the number of shares authorized to be granted under the plan to 1,000,000 shares. As of December 31, 2025, 968,650 shares were available for grant. On January 31, 2025, 6,450 shares were used from the incentive plan as an employee bonus. No other shares were issued during the twelve-month period December 31, 2025.

NOTE 10. Stockholders’ Equity and Distributions

The Company elected and qualified to be treated as a REIT commencing with the taxable year ending December 31, 2022. U.S. federal income tax law requires that a REIT distribute annually at least 90% of its net taxable income, excluding net capital gains, and that it pays tax at regular corporate rates to the extent that it annually distributes less than 100% of its net taxable income, including net capital gains. In addition, a REIT is required to pay a 4% nondeductible excise tax on the amount, if any, by which the distributions that it makes in a calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years.

On November 9, 2023, the Board of Directors authorized the repurchase of up to \$5 million of the Company’s common stock. As of December 31, 2025 the Company had purchased 319,584 shares in aggregate of common stock at an average price per share of \$9.93 and an aggregate repurchase priced of \$3.2 million.

As of December 31, 2025, there were a total of 13,257,425 shares of common stock issued and outstanding. The outstanding shares were held by a total of approximately 4,041 stockholders of record, including certain affiliates of the Company who held 865,322 of these shares.

At December 31, 2025 there were 42,347,555 OP units outstanding. Under the terms of the Operating Partnership agreement, such holders have the right to request the redemption of their OP units, in cash. If a holder requests redemption, the Company will have the option of issuing shares of common stock to the requesting holder instead of cash. In addition, OP unit holders are required to obtain Company approval prior to the sale or transfer of any or all of such OP unit holders’ interest.

In addition, the Company has reserved a total of 42,347,555 shares of common stock that may be issued, at the Company’s option, upon redemption of the OP units outstanding as of December 31, 2025.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence

The following entities and individuals are considered to be Related Parties:

Moishe Gubin	Chairman of the Board
Michael Blisko	Director
Operating entities	See list below

Lease Agreements with Related Parties

As of December 31, 2025 and 2024, each of the Company's facilities were leased and operated by separate tenants. Each tenant is an entity that leases the facility from one of the Company's subsidiaries and operates the facility as a healthcare facility. The Company had 66 tenants out of 143 who were related parties as of December 31, 2025 and 66 tenants out of 124 who were related parties as of December 31, 2024. Most of the lease agreements are triple net leases.

On February 20, 2024, the Company entered into a new, replacement master lease for these properties. The tenant remains a group of tenants affiliated with two of the Company's directors, Moishe Gubin and Michael Blisko. The new master lease has an initial term of ten years and is subject to 2 five-year extensions. The initial annual base rent for the properties is \$14.5 million dollars and is subject to annual increases of 3%. In connection with the new master lease, the existing purchase option held by the tenant, which was granted by the prior owner of the properties, of \$127.0 million was terminated. Consideration for the termination of the purchase option and inducement for entering into the new, replacement master lease was \$18.0 million paid to the tenants. The \$18.0 million payment was funded by cash and the proceeds from the additional Series D Bond issuance in February 2024.

On May 31, 2024, the Company acquired a property for \$5.85 million comprised of a 68-bed skilled nursing facility and 10 bed assisted living facility near Georgetown, Indiana. The initial annual rent amount is \$585 thousand and was leased to Infinity, a related party operator. The property was added to the Indiana Master Lease 1. The Company funded the acquisition utilizing cash from its consolidated balance sheets.

On September 25, 2024, the Company completed the acquisition of a property comprised of an 83-bed skilled nursing facility and 25 bed assisted living facility near Nashville, Tennessee. The acquisition was for \$6.7 million and the Company funded the acquisition by assuming \$2.8 million of existing debt on the facilities, \$3.1 million in common stock to the seller, and transferring \$0.8 million of other assets to the seller. The property was leased to Infinity, a related party operator. The property annual rent is \$670 thousand and the property was added to the Tennessee Master Lease 1.

On October 11, 2024, the Company acquired an 86-bed skilled nursing facility in Indianapolis, Indiana. The acquisition was for \$6.0 million and the Company funded the acquisition utilizing cash from its consolidated balance sheets. The facility was leased to Infinity, a related party operator and was added to the Indiana Master Lease 1.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

The following table sets forth details of the lease agreements in force between the Company and its subsidiaries and lessees that are related parties:

State	Lessor/ Company Subsidiary	Tenant/ Operator	Related Party Ownership in Manager/Tenant/ Operator ^{(1) (2)}		Average annual rent over life of lease	Annual Escalation	% of total rent	Lease maturity	Extension options
			Moishe Gubin/ Enterprises LP	Michael Blisko/ Blisko Enterprises LP					
	Master Lease Indiana I								
IN	1020 West Vine Street Realty, LLC	The Waters of Princeton II, LLC	49.49%	50.51%	\$ 1,224,215	3.00%	0.9%	2034	2 five year
IN	12803 Lenover Street Realty LLC	The Waters of Dillsboro – Ross Manor II LLC	49.49%	50.51%	1,585,037	3.00%	1.1%	2034	2 five year
IN	1350 North Todd Drive Realty, LLC	The Waters of Scottsburg II LLC	49.49%	50.51%	1,275,761	3.00%	0.9%	2034	2 five year
IN	1600 East Liberty Street Realty LLC	The Waters of Covington II LLC	49.49%	50.51%	1,533,491	3.00%	1.1%	2034	2 five year
IN	1601 Hospital Drive Realty LLC	The Waters of Greencastle II LLC	49.49%	50.51%	1,288,648	3.00%	0.9%	2034	2 five year
IN	1712 Leland Drive Realty, LLC	The Waters of Huntingburg II LLC	49.49%	50.51%	1,224,215	3.00%	0.9%	2034	2 five year
IN	2055 Heritage Drive Realty LLC	The Waters of Martinsville II LLC	49.49%	50.51%	1,327,307	3.00%	0.9%	2034	2 five year
IN	3895 South Keystone Avenue Realty LLC	The Waters of Indianapolis II LLC	49.49%	50.51%	1,043,805	3.00%	0.7%	2034	2 five year
IN	405 Rio Vista Lane Realty LLC	The Waters of Rising Sun II LLC	49.49%	50.51%	747,416	3.00%	0.5%	2034	2 five year
IN	950 Cross Avenue Realty LLC	The Waters of Clifty Falls II LLC	49.49%	50.51%	1,778,334	3.00%	1.2%	2034	2 five year
IN	958 East Highway 46 Realty LLC	The Waters of Batesville II LLC	49.49%	50.51%	1,108,237	3.00%	0.8%	2034	2 five year
IN	2400 Chateau Drive Realty, LLC	The Waters of Muncie II LLC	49.49%	50.51%	927,826	3.00%	0.7%	2034	2 five year
IN	The Big H2O LLC	The Waters of New Castle II LLC	49.49%	50.51%	850,507	3.00%	0.6%	2034	2 five year
IN	1316 North Tibbs Avenue Realty, LLC	Westpark A Waters Community, LLC	50.00%	50.00%	1,146,896	3.00%	0.8%	2034	2 five year
IN	1002 Sister Barbara Way LLC	The Waters of Georgetown LLC	49.49%	50.51%	1,005,145	3.00%	0.7%	2034	2 five year
IN	2640 Cold Spring Road, LLC	Alpha Home A Waters Community LLC	49.49%	50.51%	1,108,237	3.00%	0.8%	2034	2 five year

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Lease Agreements with Related Parties (cont.)

State	Lessor / Company Subsidiary	Tenant/ Operator	Related Party Ownership in Manager/Tenant/ Operator ^{(1) (2)}		Average annual rent over life of lease	Annual Escalation	% of total rent	Lease maturity	Extension options
			Moishe Gubin/ Gubin Enterprises LP	Michael Blisko/ Blisko Enterprises LP					
	Master Lease Tennessee 1								
		Lakebridge, a Waters Community, LLC							
TN	115 Woodlawn Drive, LLC	LLC	50.00%	50.00%	1,026,061	3.00%	0.7%	2031	2 five year
		The Waters of Roan Highlands, LLC							
TN	146 Buck Creek Road, LLC	LLC	50.00%	50.00%	753,072	3.00%	0.5%	2031	2 five year
		The Waters of Springfield, LLC							
TN	704 5 th Avenue East, LLC	LLC	50.00%	50.00%	621,284	3.00%	0.4%	2031	2 five year
		The Waters of Cheatham, LLC							
TN	2501 River Road, LLC	LLC	50.00%	50.00%	753,072	3.00%	0.5%	2031	2 five year
		The Waters of Smyrna, LLC							
TN	202 Enon Springs Road East, LLC	LLC	50.00%	50.00%	856,619	3.00%	0.6%	2031	2 five year
		The Waters of Johnson City, LLC							
TN	140 Technology Lane, LLC	LLC	50.00%	50.00%	790,726	3.00%	0.6%	2031	2 five year
		The Waters of Shelbyville, LLC							
TN	835 Union Street, LLC	LLC	50.00%	50.00%	903,686	3.00%	0.6%	2031	2 five year
		The Waters of Gainesboro, LLC							
TN	1340 North Grundy Quarles Highway	LLC	50.00%	50.00%	1,016,647	3.00%	0.7%	2031	2 five year
		The Waters of Kinsport, LLC							
TN	100 Netherland Lane, LLC	LLC	50.00%	50.00%	630,698	3.00%	0.4%	2031	2 five year
		The Waters of Maryville, LLC							
TN	2648 Sevierville Road, LLC	LLC	50.00%	50.00%	1,703,825	3.00%	1.2%	2031	2 five year
	Master Lease Tennessee 2								
		Agape Rehabilitation & Nursing Center, A Water's Community LLC							
TN	505 North Roan, LLC	LLC	50.00%	50.00%	1,628,910	3.00%	1.1%	2031	2 five year
		Waters of McKenzie, A Rehabilitation & Nursing Center, LLC							
TN	14510 Highway 79, LLC	LLC	50.00%	50.00%	1,279,858	3.00%	0.9%	2031	2 five year
		Waters of Memphis, A Rehabilitation & Nursing Center, LLC							
TN	6500 Kirby Gate Boulevard, LLC	LLC	50.00%	50.00%	1,745,261	3.00%	1.2%	2031	2 five year
		Waters of Sweetwater, A Rehabilitation & Nursing Center, LLC							
TN	978 Highway 11 South, LLC	LLC	50.00%	50.00%	1,745,261	3.00%	1.2%	2031	2 five year
		Waters of Bristol, A Rehabilitation & Nursing Center, LLC							
TN	2830 Highway 394, LLC	LLC	50.00%	50.00%	2,327,014	3.00%	1.6%	2031	2 five year

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Lease Agreements with Related Parties (cont.)

State	Lessor/ Company Subsidiary	Tenant/ Operator	Related Party Ownership in Manager/Tenant/ Operator ^{(1) (2)}		Average annual rent over life of lease	Annual Escalation	% of total rent	Lease maturity	Extension options
			Moishe Gubin/ Enterprises LP	Michael Blisko/ Blisko Enterprises LP					
	Master Lease Indiana 2								
IN	8400 Clearvista Place LLC	The Waters of Castleton SNF, LLC	50.00%	50.00%	1,023,207	3.00%	0.7%	2034	2 five year
IN	524 Anderson Road LLC	The Waters of Chesterfield SNF, LLC	50.00%	50.00%	538,530	3.00%	0.4%	2034	2 five year
IN	640 West Ellsworth Street LLC	The Waters of Columbia City SNF, LLC	50.00%	50.00%	753,942	3.00%	0.5%	2034	2 five year
IN	11563 West 300 South LLC	The Waters of Dunkirk SNF, LLC	50.00%	50.00%	412,873	3.00%	0.3%	2034	2 five year
IN	5544 East State Boulevard LLC	The Waters of Fort Wayne SNF, LLC	50.00%	50.00%	691,113	3.00%	0.5%	2034	2 five year
IN	548 South 100 West LLC	The Waters of Hartford City SNF, LLC	50.00%	50.00%	583,407	3.00%	0.4%	2034	2 five year
IN	2901 West 37th Avenue LLC	The Waters of Hobart SNF, LLC	50.00%	50.00%	987,305	3.00%	0.7%	2034	2 five year
IN	1500 Grant Street LLC	The Waters of Huntington SNF, LLC	50.00%	50.00%	762,917	3.00%	0.5%	2034	2 five year
IN	787 North Detroit Street LLC	The Waters of LaGrange SNF, LLC	50.00%	50.00%	897,550	3.00%	0.6%	2034	2 five year
IN	981 Beechwood Avenue LLC	The Waters of Middletown SNF, LLC	50.00%	50.00%	538,530	3.00%	0.4%	2034	2 five year
IN	317 Blair Pike LLC	The Waters of Peru SNF, LLC	50.00%	50.00%	1,166,815	3.00%	0.8%	2034	2 five year
IN	815 West Washington Street LLC	The Waters of Rockport SNF	50.00%	50.00%	538,530	3.00%	0.4%	2034	2 five year
IN	612 East 11th Street LLC	The Waters of Rushville SNF	50.00%	50.00%	879,599	3.00%	0.6%	2034	2 five year

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Lease Agreements with Related Parties (cont.)

State	Lessor/ Company Subsidiary	Tenant/ Operator	Related Party Ownership in Manager/Tenant/ Operator ^{(1) (2)}		Average annual rent over life of lease	Annual Escalation	% of total rent	Lease maturity	Extension options
			Moishe Gubin/ Enterprises LP	Michael Blisko/ Blisko Enterprises LP					
IN	505 West Wolfe Street LLC	The Waters of Sullivan SNF	50.00%	50.00%	834,721	3.00%	0.6%	2034	2 five year
IN	500 East Pickwick Drive LLC	The Waters of Syracuse SNF	50.00%	50.00%	592,383	3.00%	0.4%	2034	2 five year
IN	300 Fairgrounds Road LLC	The Waters of Tipton SNF	50.00%	50.00%	1,346,325	3.00%	0.9%	2034	2 five year
IN	1900 Alber Street LLC	The Waters of Wabash SNF East	50.00%	50.00%	753,942	3.00%	0.5%	2034	2 five year
IN	1720 Alber Street LLC	The Waters of Wabash SNF West	50.00%	50.00%	394,922	3.00%	0.3%	2034	2 five year
IN	300 North Washington Street LLC	The Waters of Wakarusa SNF	50.00%	50.00%	1,193,741	3.00%	0.8%	2034	2 five year
IN	8400 Clearvista Place LLC	The Waters of Castleton ALF, LLC	50.00%	50.00%	484,677	3.00%	0.3%	2034	2 five year
IN	787 North Detroit Street LLC	The Waters of LaGrange ALF, LLC	50.00%	50.00%	152,583	3.00%	0.1%	2034	2 five year
IN	612 East 11th Street LLC	The Waters of Rushville ALF, LLC	50.00%	50.00%	260,289	3.00%	0.2%	2034	2 five year
IN	505 West Wolfe Street LLC	The Waters of Sullivan ALF, LLC	50.00%	50.00%	287,216	3.00%	0.2%	2034	2 five year
IN	300 North Washington Street LLC	The Waters of Wakarusa ALF, LLC	50.00%	50.00%	547,505	3.00%	0.4%	2034	2 five year

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Lease Agreements with Related Parties (cont.)

State	Lessor/ Company Subsidiary	Manager/ Tenant/ Operator	Related Party Ownership in Manager/Tenant/ Operator ^{(1) (2)}		Average Annual rent over life of lease	Annual Escalation	% of total rent	Lease maturity	Extension options
			Moishe Gubin/Gubin Enterprises LP	Michael Blisko/Blisko Enterprises LP					
IL	Ambassador Nursing Realty, LLC	Ambassador Nursing and Rehabilitation Center II, LLC	40.00%	40.00%	1,005,313	3.00%	0.7%	2031	2 five year
IL	Momence Meadows Realty, LLC	Momence Meadows Nursing and Rehabilitation Center, LLC	50.00%	50.00%	1,038,000	None	0.7%	2025	None
IL	Lincoln Park Holdings, LLC	Lakeview Rehabilitation and Nursing Center, LLC	40.00%	40.00%	1,260,000	None	0.9%	2031	None
IL	Continental Nursing Realty, LLC	Continental Nursing and Rehabilitation Center, LLC	40.00%	40.00%	1,575,348	None	1.1%	2031	None
IL	Westshire Nursing Realty, LLC	City View Multicare Center, LLC	50.00%	50.00%	1,082,928	3.00%	0.8%	2026	2 five year
IL	Belhaven Realty, LLC	Belhaven Nursing and Rehabilitation Center, LLC	50.00%	50.00%	2,134,570	3.00%	1.5%	2031	2 five year
IL	West Suburban Nursing Realty, LLC	West Suburban Nursing and Rehabilitation Center, LLC	40.00%	40.00%	1,961,604	None	1.4%	2027	None
IN	1585 Perry Worth Road, LLC	The Waters of Lebanon, LLC	50.00%	50.00%	116,678	3.00%	1.7%	2027	2 five year
IL	Niles Nursing Realty LLC	Niles Nursing & Rehabilitation Center LLC	50.00%	50.00%	2,409,998	3.00%	1.8%	2031	2 five year
IL	Midway Neurological and Rehabilitation Realty, LLC	Midway Neurological and Rehabilitation Center, LLC	50.00%	50.00%	2,547,713	3.00%	0.7%	2031	2 five year
IL	516 West Frech Street, LLC	Parker Rehab & Nursing Center, LLC	50.00%	50.00%	498,351	Varies between \$12,000 and \$24,000 annually	0.4%	2031	None

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Lease Agreements with Related Parties (cont.)

- (1) The interests of the two listed related parties are not held through any commonly owned holding companies. Mr. Gubin's interests are held directly/indirectly by Gubin Enterprises LP. Mr. Blisko's interests are held by Blisko Enterprises LP and New York Boys Management, LLC.
- (2) Each of the tenants is a limited liability company. The percentages listed reflect the owners' percentage ownership of the outstanding membership interests in each tenant.

Guarantees from Related Parties

As of December 31, 2025 and 2024, Mr. Gubin and Mr. Blisko were not parties to any guarantees of any debt of the Company and its subsidiaries.

Balances with Related Parties

	December 31,	
	2025	2024
	(amounts in \$000s)	
Straight-line rent receivable	\$ 16,324	\$ 17,801
Tenant portion of replacement reserve	\$ 8,759	\$ 9,664
Notes receivable	\$ 5,823	\$ 6,295

Payments from Related Parties

	Years ended December 31,	
	2025	2024
	(amounts in \$000s)	
Rental income received from related parties	\$ 70,020	\$ 71,390

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. Related Party Transactions and Economic Dependence (cont.)

Other Related Party Relationships

On December 31, 2025 and 2024, the Company had approximately \$0.8 million and \$5.9 million, respectively, on deposit with OptimumBank. Mr. Gubin is the Chairman of the Board of OptimumBank.

On June 14, 2022, the Company purchased an \$8 million note held by Infinity Healthcare Management, a company controlled by Mr. Blisko and Mr. Gubin. The note was issued by certain unaffiliated tenants. It bears interest at 7% per annum, payable annually. The principal amount of the note becomes payable 120 days after the date on which tenants are first able to exercise the purchase option for the properties contained in their lease. The purchase option becomes exercisable upon the Company's ability to deliver fee simple title to the properties. If the tenants do not exercise the option within this period, then the outstanding balance of the note will thereafter be payable in thirty-six (36) equal monthly installments of principal and interest.

NOTE 12. Income Taxes

The Company elected and qualified to be taxed as a REIT for federal income tax purposes.

As a REIT, the Company generally is not subject to federal income tax on its net taxable income that it distributes currently to its stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute each year at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. If the Company fails to qualify for taxation as a REIT in any taxable year and does not qualify for certain statutory relief provisions, the Company's income for that year will be taxed at regular corporate rates, and the Company would be disqualified from taxation as a REIT for the four taxable years following the year during which the Company ceased to qualify as a REIT. Even if the Company qualifies as a REIT for federal income tax purposes, it may still be subject to state and local taxes on its income and assets and to federal income and excise taxes on its undistributed income.

The Company follows accounting guidance relating to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions.

A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-than-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Management is not aware of any uncertain tax positions that would have material effect on the Company's consolidated financial statements.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. Fair Value of Financial Instruments

The Company is required to disclose the fair value of financial instruments for which it is practicable to estimate that value. The fair value of short-term financial instruments such as cash and cash equivalents, restricted cash, accounts payable and accrued expenses approximate their carrying value on the consolidated balance sheets due to their short-term nature. The Company's foreclosed real estate is recorded at fair value on a non-recurring basis and is included in real estate investments on the consolidated balance sheets. Estimates of fair value are determined based on a variety of information, including the use of available appraisals, estimates of market values by licensed appraisers or local real estate brokers and knowledge and experience of management. The fair values of the Company's remaining financial instruments that are not reported at fair value on the consolidated balance sheets are reported below:

(amounts in \$000s)	Level	December 31,			
		2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bonds, Note payable, and other debt	3	\$ 794,652	\$ 802,800	\$ 673,935	\$ 675,941
Notes receivable	3	\$ 20,821	\$ 20,462	\$ 16,585	\$ 16,488

The fair value of the bonds, note payable, other debt, and notes receivable are estimated using a discounted cash flow analysis.

NOTE 14. Subsequent Events

In January 2026, the Company approved a compensation adjustment for its Chief Executive Officer retroactively to be recognized in 2025, delivered in the form of limited partnership units of the OP ("OP Units"). The Company recognized stock-based compensation expense of \$1.5 million during the year ended December 31, 2025. The Company granted to Mr. Gubin 114,504 OP Units in January 2026. The OP Units were determined using a grant-date fair value of \$13.10.

NOTE 15. Financing Income (Expenses), Net

	Year ended December 31,	
	2025	2024
	(Amounts in \$000's)	
Financing expenses		
Interest expenses with respect to bonds	\$ (22,255)	\$ (11,158)
Interest expenses on loans from banks and others	(27,851)	(22,344)
Interest expenses with respect to leases	(44)	(140)
Total financing expenses	\$ (50,150)	\$ (33,642)
Financing income	\$ 1,538	\$ 1,039
Interest Expense, Net	\$ (48,612)	\$ (32,603)

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries
Schedule III
Real Estate and Accumulated Depreciation

Property	Location	Type of property	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Total	Accumulated depreciation	Date of construction	Date acquired
			Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment				
1020 West Vine St, LLC	IN	SNF	73,704	5,373,301	552,994	73,704	5,373,301	552,994	5,999,999	2,351,167	1968	5/1/2015
12803 Lenover Street Realty, LLC	IN	SNF	749,235	11,715,266	707,200	749,235	11,715,266	707,200	13,171,701	5,978,110	1898	12/28/2012
1600 East Liberty Street Realty, LLC	IN	SNF	226,684	8,613,047	684,202	226,684	8,613,047	684,202	9,523,933	4,174,855	1973	12/28/2012
1601 Hospital Dr Realty, LLC	IN	SNF	374,029	6,536,475	574,959	374,029	6,536,475	574,959	7,485,463	3,190,677	1981	12/28/2012
2055 Heritage Dr Realty, LLC	IN	SNF	397,029	6,567,012	592,208	397,029	6,567,012	592,208	7,556,249	3,349,061	1978	12/28/2012
3895 Keystone Ave Realty, LLC	IN	SNF	905,829	5,401,715	465,715	905,829	5,401,715	465,715	6,773,259	2,671,470	1985	12/28/2012
405 Rio Vista Lane Realty, LLC	IN	SNF	851,889	3,190,949	277,894	851,889	3,190,949	277,894	4,320,732	2,025,845	1965	12/28/2012
950 Cross Ave Realty, LLC	IN	SNF	1,055,229	8,223,435	793,445	1,055,229	8,223,435	793,445	10,072,109	4,217,996	1972	12/28/2012
958 East Highway 46 Realty, LLC	IN	SNF	1,424,142	12,353,018	494,464	1,424,142	12,353,018	494,464	14,271,624	5,521,919	1975	12/28/2012
1350 North Todd St, LLC	IN	SNF	76,959	3,151,485	371,556	76,959	3,151,485	371,556	3,600,000	2,111,635	1976	12/28/2012
1712 Leland Drive Realty, LLC	IN	SNF	158,995	5,399,959	441,046	158,995	5,399,959	441,046	6,000,000	2,915,087	1977	5/1/2015
253 Bradington Drive, LLC	IL	SNF	533,575	6,030,915	535,510	533,575	6,882,910	535,510	7,951,995	3,748,008	1993	4/1/2011
1621 Coit Road Realty, LLC	TX	SNF	1,466,005	6,428,360	771,979	1,466,005	6,428,360	771,979	8,666,344	4,249,585	1977	7/1/2015
8200 National Ave Realty, LLC	OK	SNF/ LTACH	1,941,555	8,519,002	781,484	1,941,555	8,519,002	781,484	11,242,041	3,762,034	1989	7/1/2015
2301 North Oregon Realty, LLC	TX	SNF/ LTACH	460,109	9,224,188	1,017,263	460,109	9,224,188	1,017,263	10,701,560	4,494,883	1970	7/1/2015
5601 Plum Creek Drive Realty, LLC	TX	SNF/ LTACH	1,110,560	8,585,477	694,019	1,110,560	8,585,477	694,019	10,390,056	4,407,749	1985	7/1/2015
1623 West Delmar Ave, LLC	IL	SNF	369,094	2,188,077	257,828	369,094	2,587,883	257,828	3,214,805	1,451,684	1962	11/26/2014
393 Edwardsville Road LLC	IL	SNF	251,415	3,426,747	387,838	251,415	4,335,229	387,838	4,974,482	2,188,785	1971	11/26/2014
911 South 3rd St Realty LLC	MI	SNF	-	-	-	-	-	-	-	-	1969	5/22/2015
516 West Frech St, LLC	IL	SNF	85,518	1,697,527	266,955	85,518	1,697,527	266,955	2,050,000	1,938,063	1974	9/28/2011
1316 North Tibbs Avenue Realty LLC	IN	SNF	323,226	2,940,959	335,816	323,226	2,940,959	335,816	3,600,001	1,822,872	1976	6/1/2014

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries
Schedule III
Real Estate and Accumulated Depreciation

Property	Location	Type of property	Initial Cost to Company			Gross Amount at Which Carried at Close of Period						
			Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Total	Accumulated depreciation	Date of construction	Date acquired
3090 Five Points Hartford Realty, LLC	OH	SNF	114,614	1,348,246	155,890	114,614	1,348,246	155,890	1,618,750	1,454,952	1950	8/1/2015
3121 Glanzman Rd Realty, LLC	OH	SNF	211,543	2,977,780	329,427	211,543	2,977,780	329,427	3,518,750	2,116,879	1959	8/1/2015
620 West Strub Rd Realty, LLC	OH	SNF	140,266	2,785,910	192,574	140,266	2,785,910	192,574	3,118,750	1,883,764	1978	8/1/2015
4250 Sodom Hutchings Road Realty, LLC	OH	SNF	41,548	581,176	96,026	41,548	581,176	96,026	718,750	677,202	1975	8/1/2015
Ambassador Nursing Realty, LLC	IL	SNF	2,344,176	5,891,870	991,190	2,344,176	5,891,870	991,190	9,227,236	4,404,621	1976	4/1/2008
Momence Meadows Realty, LLC	IL	SNF	185,405	5,861,271	703,325	185,405	5,861,271	703,325	6,750,001	4,210,974	1974	8/2/2006
Oak Lawn Nursing Realty, LLC	IL	SNF	808,226	3,388,277	403,497	808,226	3,388,277	403,497	4,600,000	2,857,196	1964	4/30/2012
Forest View Nursing Realty, LLC	IL	SNF	392,245	6,288,479	819,276	392,245	6,288,479	819,276	7,500,000	3,235,139	1975	11/25/2013
Lincoln Park Holdings, LLC	IL	SNF	4,322,851	6,815,753	861,396	4,322,851	6,815,753	861,396	12,000,000	3,451,343	1973	11/26/2014
Continental Realty, LLC	IL	SNF	3,392,263	6,659,835	720,666	3,392,263	6,659,835	720,666	10,772,764	5,483,499	1976	4/2/2008
Westshire Realty, LLC	IL	SNF	356,185	22,165,811	2,253,929	356,185	22,165,811	2,253,929	24,775,925	11,475,646	1974	7/26/2013
Belhaven Realty, LLC	IL	SNF	2,298,858	7,026,385	924,756	2,298,858	7,026,385	924,756	10,249,999	6,707,567	1985	6/1/2006
West Suburban Nursing Realty, LLC	IL	SNF	1,061,095	11,501,970	1,336,935	1,061,095	11,501,970	1,336,935	13,900,000	7,507,458	1975	11/2/2007
Niles Nursing Realty, LLC	IL	SNF	3,115,279	21,168,943	1,715,779	3,115,279	21,168,943	1,715,779	26,000,001	11,082,261	1974	8/25/2012
Parkshore Estates Nursing Realty, LLC	IL	SNF	450,232	18,186,687	1,747,280	450,232	18,186,687	1,747,280	20,384,199	8,096,400	1975	2/5/2015
Midway Neurological and Rehab Realty, LLC	IL	SNF	1,436,736	15,856,182	1,707,081	1,436,736	15,856,182	1,707,081	18,999,999	12,742,508	1972	4/1/2005
115 Woodlawn Drive, LLC	TN	SNF	1,130,269	9,411,746	930,933	1,130,269	9,411,746	930,933	11,472,949	4,055,364	1995	8/1/2016
146 Buck Creek Road, LLC	TN	SNF	829,555	6,907,704	683,254	829,555	6,907,704	683,254	8,420,513	2,976,414	1997	8/1/2016
704 5th Avenue East, LLC	TN	SNF	684,383	5,698,856	563,684	684,383	5,698,856	563,684	6,946,923	2,455,541	1964	8/1/2016
2501 River Road, LLC	TN	SNF	829,555	6,907,704	683,254	829,555	6,907,704	683,254	8,420,513	2,976,414	1964	8/1/2016
202 Enon Springs East, LLC	TN	SNF	943,619	7,857,513	777,201	943,619	7,857,513	777,201	9,578,333	3,385,671	1974	8/1/2016
140 Technology Lane, LLC	TN	SNF	871,033	7,253,089	717,416	871,033	7,253,089	717,416	8,841,538	3,125,234	2007	8/1/2016
835 Union Street, LLC	TN	SNF	995,467	8,289,244	819,904	995,467	8,289,244	819,904	10,104,615	3,571,696	1962	8/1/2016
308 West Maple Avenue, LLC	KY	SNF	995,467	8,289,244	819,904	995,467	8,289,244	819,904	10,104,615	3,571,696	1970	8/1/2016
Big H2O - Land Rising Sun	IN		772,847	-	-	772,847	-	-	772,847	-		12/1/2012
1585 Perry Worth, LLC	IN	SNF	98,516	820,342	81,142	98,516	820,342	81,142	1,000,000	331,354	1967	7/17/2017
1155 Eastern Parkway, LLC	KY	SNF	1,147,712	18,894,131	1,708,157	1,147,712	18,894,131	1,708,157	21,750,000	6,965,211	1973	9/1/2017
1015 Magazine Street, LLC	KY	SNF	2,750,000	3,060,000	690,000	2,750,000	3,060,000	690,000	6,500,000	3,639,858	1981	5/1/2018
5301 Wheeler Avenue, LLC	AR	SNF	400,000	3,147,874	877,500	400,000	3,147,874	877,500	4,425,374	2,564,199	1967	8/29/2018
414 Massey Avenue, LLC	AR	SNF	125,000	845,359	240,000	125,000	845,359	240,000	1,210,359	713,811	1994	8/29/2018
706 Oak Grove Street, LLC	AR	SNF	300,000	2,641,399	727,500	300,000	2,641,399	727,500	3,668,899	1,999,275	1965	8/29/2018
8701 Riley Dr., LLC	AR	SNF	950,000	3,295,319	1,050,000	950,000	3,295,319	1,050,000	5,295,319	3,533,882	1979	8/29/2018
1516 Cumberland Street, LLC	AR	SNF	325,000	3,313,843	900,000	325,000	3,313,843	900,000	4,538,843	2,179,176	1971	8/29/2018
5720 West Markham Street, LLC	AR	SNF	600,000	4,069,851	1,155,000	600,000	4,069,851	1,155,000	5,824,851	2,602,434	1973	8/29/2018
2501 John Ashley Dr.,LLC	AR	SNF	550,000	3,695,319	1,050,000	550,000	3,695,319	1,050,000	5,295,319	3,811,562	1969	8/29/2018
1513 S. Dixieland Road, LLC	AR	SNF	275,000	3,060,608	825,000	275,000	3,060,608	825,000	4,160,608	2,147,384	1968	8/29/2018
826 North Street, Stamps, LLC	AR	SNF	225,000	2,625,428	705,000	225,000	2,625,428	705,000	3,555,428	1,789,617	1971	8/29/2018
900 Gagel Avenue, LLC	KY	SNF	1,250,000	2,390,000	360,000	1,250,000	2,390,000	360,000	4,000,000	1,917,672	1970	8/30/2018

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries
Schedule III
Real Estate and Accumulated Depreciation

Property	Location	Type of property	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Total	Accumulated depreciation	Date of construction	Date acquired
			Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment				
727 North 17th St, LLC											1969,	
3523 Wickenhauser, LLC	IL	SNF	613,116	3,856,645	663,640	613,116	5,939,315	663,640	7,216,071	2,164,385	1971	1/1/2019
326 Lindley Lane, LLC	AR	SNF	250,000	2,917,353	720,000	250,000	2,917,353	720,000	3,887,353	1,676,669	2001	4/10/2019
2821 West Dixon Road, LLC	AR	SNF	400,000	4,817,873	354,000	400,000	4,817,873	354,000	5,571,873	3,033,813	1950	4/10/2019
552 Golf Links Road, LLC	AR	SNF	500,000	3,511,981	912,000	500,000	3,511,981	912,000	4,923,981	2,095,599	1978	4/10/2019
9300 Ballard Road, LLC	IL	SNF	285,000	12,467,584	1,391,952	285,000	12,467,584	1,391,952	14,144,536	5,369,472	1974	6/28/2019
Land in Covington	KY	N/A	94,922	-	-	94,922	-	-	94,922	-	N/A	11/6/2015
2400 Chateau Drive Realty, LLC	IN	SNF	327,804	2,538,755	283,441	327,804	2,538,755	283,441	3,150,000	1,046,689	1972	11/13/2019
203 Bruce Court, LLC	KY	SNF	150,000	3,755,896	477,000	150,000	3,755,896	477,000	4,382,896	1,846,277	1972	6/1/2020
4343 Kennedy Drive LLC	IL	SNF	1,650,000	1,615,000	735,000	1,650,000	1,615,000	735,000	4,000,000	994,116	2009	10/1/2020
505 North Roan Street, LLC	TN	SNF	650,000	10,171,216	504,000	650,000	10,171,216	504,000	11,325,216	1,865,485	2005	8/25/2021
14510 Highway 79, LLC	TN	SNF	525,000	5,117,868	396,000	525,000	5,117,868	396,000	6,038,868	1,418,717	1969	8/25/2021
6500 Kirby Gate Boulevard, LLC	TN	SNF	1,250,000	17,345,000	405,000	1,250,000	17,345,000	405,000	19,000,000	2,366,669	2015	8/25/2021
978 Highway 11 South, LLC	TN	SNF	250,000	9,965,900	540,000	250,000	9,965,900	540,000	10,755,900	1,916,266	1966	8/25/2021
2830 Highway 394, LLC	TN	SNF	475,000	27,625,000	900,000	475,000	27,625,000	900,000	29,000,000	3,908,663	2017	8/25/2021
1253 Lake Barkley Drive, LLC	KY	SNF	175,000	4,496,940	195,000	175,000	4,496,940	195,000	4,866,940	1,206,335	1968	8/25/2021
1123 Rockdale	MA	Vacant	-	1,200,000	-	-	1,200,000	-	1,200,000			
420 Jett Drive, LLC	KY	SNF	100,000	4,700,000	1,200,000	100,000	4,700,000	1,200,000	6,000,000	1,157,409	1971	1/5/2023
8400 Clearvista Place, LLC	IN	ALF	199,550	4,939,068	1,140,000	199,550	4,939,068	1,140,000	6,278,618	866,621	1985	8/25/2023
8400 Clearvista Place, LLC	IN	SNF	199,550	2,504,532	270,000	199,550	2,504,532	270,000	2,974,082	294,788	1985	8/25/2023
524 Anderson Road, LLC	IN	SNF	182,300	2,522,236	600,000	182,300	2,522,236	600,000	3,304,536	518,610	1984	8/25/2023
640 West Ellsworth Street, LLC	IN	SNF	36,300	3,750,050	840,000	36,300	3,750,050	840,000	4,626,350	746,613	1957	8/25/2023
11563 West 300 South LLC	IN	SNF	47,200	2,026,277	460,000	47,200	2,026,277	460,000	2,533,477	374,578	1969	8/25/2023
5544 East State Boulevard, LLC	IN	SNF	492,800	2,978,021	770,000	492,800	2,978,021	770,000	4,240,821	641,240	1964	8/25/2023
548 South 100 West, LLC	IN	SNF	86,000	2,843,914	650,000	86,000	2,843,914	650,000	3,579,914	527,785	1973	8/25/2023
2901 West 37th Avenue, LLC	IN	SNF	702,800	4,255,515	1,100,000	702,800	4,255,515	1,100,000	6,058,315	849,562	1974	8/25/2023
1500 Grant Street, LLC	IN	SNF	118,700	3,712,725	850,000	118,700	3,712,725	850,000	4,681,425	747,804	1968	8/25/2023
787 North Detroit Street, LLC	IN	ALF	50,400	4,457,159	1,000,000	50,400	4,457,159	1,000,000	5,507,559	818,386	1970	8/25/2023
787 North Detroit Street, LLC	IN	SNF	50,400	800,885	85,000	50,400	800,885	85,000	936,285	133,930	1978	8/25/2023
981 Beechwood Avenue, LLC	IN	SNF	29,600	2,674,936	600,000	29,600	2,674,936	600,000	3,304,536	491,082	1974	8/25/2023
317 Blair Pike, LLC	IN	SNF	72,800	5,787,027	1,300,000	72,800	5,787,027	1,300,000	7,159,827	1,153,912	1966	8/25/2023
815 West Washington Street, LLC	IN	SNF	44,100	2,660,436	600,000	44,100	2,660,436	600,000	3,304,536	531,589	1966	8/25/2023
612 East 11th Street, LLC	IN	ALF	49,650	4,367,758	980,000	49,650	4,367,658	980,000	5,397,308	870,263	1967	8/25/2023
612 East 11th Street, LLC	IN	SNF	49,650	1,402,542	145,000	49,650	1,402,542	145,000	1,597,192	232,733	1967	8/25/2023
505 West Wolfe Street, LLC	IN	ALF	86,100	4,105,930	930,000	86,100	4,105,530	930,000	5,121,630	650,518	1970	8/25/2023
505 West Wolfe Street, LLC	IN	SNF	110,200	1,492,219	160,000	110,200	1,492,219	160,000	1,762,419	160,581	1970	8/25/2023

STRAWBERRY FIELDS REIT, Inc. and Subsidiaries
Schedule III
Real Estate and Accumulated Depreciation

Property	Location	Type of property	Initial Cost to Company			Gross Amount at Which Carried at Close of Period				Accumulated depreciation	Date of construction	Date acquired
			Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Land	Building improvements and intangible assets lease assets	Furniture, fixtures and equipment	Total			
500 East Pickwick Drive, LLC	IN	SNF	206,500	2,768,489	660,000	206,500	2,768,489	660,000	3,634,989	495,625	1986	8/25/2023
300 Fairgrounds Road, LLC	IN	SNF	94,500	6,666,839	1,500,000	94,500	6,666,839	1,500,000	8,261,339	1,330,451	1977	8/25/2023
1900 Alber Street, LLC	IN	SNF	819,000	2,967,350	840,000	819,000	2,967,350	840,000	4,626,350	626,662	1969	8/25/2023
1720 Alber Street, LLC	IN	SNF	360,000	1,623,326	440,000	360,000	1,623,326	440,000	2,423,326	333,652	1970	8/25/2023
300 North Washington Street, LLC	IN	SNF	90,050	5,905,004	1,330,000	90,050	5,905,004	1,330,000	7,325,054	932,609	1984	8/25/2023
300 North Washington Street, LLC	IN	ALF	90,050	2,964,561	305,000	90,050	2,964,561	305,000	3,359,611	421,628	2000	8/25/2023
1002 Sister Barbara Way	IN	SNF	521,000	4,444,000	860,000	521,000	4,444,000	860,000	5,825,000	424,810	2010	5/31/2023
100 Netherland Lane	TN	SNF	391,160	270,840	670,000	391,160	270,840	670,000	1,332,000	155,365	2018	8/30/2024
2648 Sevierville Road	TN	SNF	636,200	221,800	1,810,000	636,200	221,800	1,810,000	2,668,000	823,040	1956/2016	8/30/2024
2001 Avenue E	TX	SNF	134,960	3,617,993	750,000	134,960	3,617,993	750,000	4,502,953	581,608	1968	8/30/2024
1213 Water Street	TX	SNF	620,136	8,336,911	1,790,000	620,136	8,336,911	1,790,000	10,747,047	1,685,525	1957/1975	8/30/2024
1340 North Grundy Quarles Highway	TN	SNF	73,400	5,796,600	830,000	73,400	5,796,600	830,000	6,700,000	434,873	1979/2004	9/30/2024
11515 Troost Avenue, LLC	MO	SNF	1,137,500	11,263,940	-	1,137,500	11,263,940	-	12,401,440	387,708	1974	12/19/2024
52435 Infirmary Road, LLC	MO	SNF	23,500	7,447,247	-	23,500	7,447,247	-	7,470,747	219,717	1980	12/19/2024
2041 Silva Lane , LLC	MO	SNF	100,000	13,571,468	-	100,000	13,571,468	-	13,671,468	560,561	1963	12/19/2024
902 Manor Drive, LLC	MO	SNF	73,684	8,891,212	-	73,684	8,891,212	-	8,964,896	306,038	1970	12/19/2024
2800 Highway TT, LLC	MO	SNF	55,460	17,799,625	-	55,460	17,799,625	-	17,855,085	612,668	1975	12/19/2024
649 South Walnut Street, LLC	MO	SNF	10,000	4,696,571	-	10,000	4,696,571	-	4,706,571	138,563	1980	12/19/2024
1622 East 28th Street, LLC	MO	SNF	35,380	6,688,293	-	35,380	6,688,293	-	6,723,673	276,256	1967	12/19/2024
11400 Mehl Avenue, LLC	MO	SNF	750,000	10,456,120	-	750,000	10,456,120	-	11,206,120	308,488	1987	12/19/2024
103 Har-Ber Road	OK	SNF	165,250	4,034,750	800,000.00	165,250	4,034,750.00	800,000.00	5,000,000	223,381	1973	12/31/2024
520 E Morse Avenue LLC	KS	SNF	64,420	2,626,427	360,000	64,420	2,626,427	360,000	3,050,847	126,161	1973	1/2/2025
440 N 4th Street LLC	KS	ALF	219,600	2,643,044	256,000	219,600	2,643,044	256,000	3,118,644	93,493	1970	1/2/2025
620 Wood Avenue LLC	KS	SNF	141,400	3,147,414	440,000	141,400	3,147,414	440,000	3,728,814	152,130	1969	1/2/2025
601 N Rose Hill Road LLC	KS	SNF	170,500	3,895,669	544,000	170,500	3,895,669	544,000	4,610,169	169,882	1970	1/2/2025
2015 SE 10th Avenue LLC	KS	SNF	37,830	3,549,967	480,000	37,830	3,549,967	480,000	4,067,797	228,322	1959	1/2/2025
1600 S Woodlawn Boulevard LLC	KS	SNF	134,500	4,649,229	640,000	134,500	4,649,229	640,000	5,423,729	300,272	1974	1/2/2025
2400 Whites Meadow Drive, LLC	OK	SNF	411,734	3,588,266	1,000,000	411,734	3,588,266	1,000,000	5,000,000	224,963	1988	3/31/2025
2808 Stony Brook Drive, LLC	TX	SNF	1,392,516	8,987,484	1,120,000	1,392,516	8,987,484	1,120,000	11,500,000	242,323	1967	4/4/2025
202 E Mill Street, LLC	MO	SNF	25,242	4,542,785	601,010	25,242	4,542,785	601,010	5,169,038	100,620	1984	7/1/2025
631 W Main Street, LLC	MO	SNF	32,555	4,535,473	601,010	32,555	4,535,473	601,010	5,169,038	100,527	1991	7/1/2025
18540 MO-16, LLC	MO	SNF	32,555	4,535,473	601,010	32,555	4,535,473	601,010	5,169,038	100,527	1991	7/1/2025
1 Georgian gardens Drive, LLC	MO	SNF	68,515	9,067,540	1,202,020	68,515	9,067,540	1,202,020	10,338,076	201,010	1983	7/1/2025
2001 Jefferson Parkway, LLC	MO	SNF	113,711	9,935,950	1,322,222	113,711	9,935,950	1,322,222	11,371,883	220,622	1909	7/1/2025
800 South White Oak Road, LLC	MO	SNF	19,533	5,614,366	741,246	19,533	5,614,366	741,246	6,375,145	124,246	1980	7/1/2025

501 S Monroe Street, LLC	MO	SNF	36,994	4,533,593	601,347	36,994	4,533,593	601,347	5,171,934	100,527	1980	7/1/2025
1531 Nebraska Street, LLC	MO	SNF	23,756	4,544,272	601,010	23,756	4,544,272	601,010	5,169,038	100,639	1976	7/1/2025
1300 County Farm Road, LLC	MO	SNF	35,359	4,532,668	601,010	35,359	4,532,668	601,010	5,169,038	100,491	1983	7/1/2025
701 S 8th St, LLC	OK	SNF	333,714	2,925,830	1,002,937	333,714	2,925,830	1,002,937	4,262,480	87,793	1965	8/5/2025
2350 Kanell Boulevard, LLC	MO	SNF	161,392	3,908,491	1,243,019	161,392	3,908,492	1,243,019	5,312,903	93,603	1973	8/29/2025
1400 South Main Street, LLC	OK	SNF	384,008	2,020,736	601,186	384,008	2,020,737	601,186	3,005,930	26,244	1961	11/10/2025
Total			<u>\$72,586,232</u>	<u>\$ 797,514,896</u>	<u>\$94,869,311</u>	<u>\$72,586,234</u>	<u>\$ 801,757,351</u>	<u>\$94,869,311</u>	<u>\$969,212,896</u>	<u>\$ 282,062,366</u>		

(1) The cost of building and improvements is depreciated on a straight-line basis over the estimated useful lives of the buildings and improvements, ranging primarily from 3 to 35 years. The cost of intangible lease assets is depreciated on a straight-line basis over the initial term of the related leases, ranging primarily from 3 to 20 years. The cost of furniture, fixtures and equipment are depreciated on a straight-line basis over the estimated useful lives of the furniture, fixtures and equipment, ranging primarily from 2 to 15 years. See Note 4 to the consolidated financial statements for information on useful lives used for depreciation and amortization.

(2) LTACH — long-term acute care hospital, SNF — skilled nursing facility, and ALF — assisted living facility.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries
Schedule III
Real Estate and Accumulated Depreciation

The changes in total real estate and accumulated depreciation are as follows (in thousands):

	For the year ended December 31,	
	2025	2024
Cost		
Balance at beginning of the year	\$ 857,487	\$ 737,712
Acquisitions	112,183	119,775
Disposals/other	(457)	-
Balance at end of the year	<u>\$ 969,213</u>	<u>\$ 857,487</u>
Accumulated Depreciation		
Balance at beginning of the year	\$ 248,429	\$ 219,398
Depreciation	35,774	29,031
Dispositions/other	(2,141)	-
Balance at end of the year	<u>\$ 282,062</u>	<u>\$ 248,429</u>
Net Real Estate	<u>\$ 687,151</u>	<u>\$ 609,058</u>

The unaudited aggregate net tax value of real estate assets for federal income tax purposes as of December 31, 2025 is estimated to be \$740,067,540

STRAWBERRY FIELDS REIT INC**List of Subsidiaries of Registrant**

	Entity Name	Country of Incorporation
1	1 Georgian gardens Drive, LLC	United States
2	100 Netherland Lane, LLC	United States
3	1002 Sister Barbara Way, LLC	United States
4	1015 Magazine Street, LLC	United States
5	1020 West Vine Street Realty, LLC	United States
6	103 HAR-BER ROAD, LLC	United States
7	1033 North Highway 11, LLC	United States
8	1101 Glendale Boulevard, LLC	United States
9	11400 Mehl Avenue, LLC	United States
10	115 Woodlawn Drive, LLC	United States
11	11515 Troost Avenue, LLC	United States
12	1155 Eastern Parkway, LLC	United States
13	11563 West 300 South, LLC	United States
14	120 Life Care Way, LLC	United States
15	120 North Tower Road, LLC	United States
16	1213 Water Street, LLC	United States
17	1253 Lake Barkley Drive, LLC	United States
18	12803 Lenover Street Realty, LLC	United States
19	1300 County Farm Road, LLC	United States
20	1316 North Tibbs Avenue Realty, LLC	United States
21	1340 North Grundy Quarles Highway, LLC	United States
22	1350 North Todd Street Realty, LLC	United States
23	140 Technology Lane, LLC	United States
24	1400 South Main Street, LLC	United States
25	14510 Highway 79, LLC	United States
26	146 Buck Creek Road, LLC	United States
27	1500 Grant Street, LLC	United States
28	1513 South Dixieland Road, LLC	United States
29	1516 Cumberland Street, LLC	United States
30	1531 Nebraska Street, LLC	United States
31	1585 Perry Worth Road, LLC	United States
32	1600 East Liberty Street Realty, LLC	United States
33	1600 S Woodlawn Boulevard LLC	United States
34	1601 Hospital Drive Realty, LLC	United States
35	1621 Coit Road Realty, LLC	United States
36	1622 East 28th Street, LLC	United States
37	1623 West Delmar Avenue, LLC	United States
38	1712 Leland Drive Realty, LLC	United States
39	1720 Alber Street, LLC	United States
40	18540 MO-16, LLC	United States
41	1900 Alber Street, LLC	United States
42	2001 Avenue E, LLC	United States
43	2001 Jefferson Parkway, LLC	United States
44	2015 SE 10th Avenue LLC	United States
45	202 E Mill Street, LLC	United States
46	202 Enon Springs Road East, LLC	United States
47	203 Bruce Court, LLC	United States
48	2041 Silva Lane, LLC	United States
49	2055 Heritage Drive Realty, LLC	United States
50	2301 North Oregon Street Realty, LLC	United States

51	2350 Kanell Boulevard, LLC	United States
52	2400 Chateau Drive Realty, LLC	United States
53	2400 Whites Meadow Drive, LLC	United States
54	2501 John Ashley Drive, LLC	United States
55	2501 River Road, LLC	United States
56	253 Bradington Drive, LLC	United States
57	2640 Cold Spring Road Realty, LLC	United States
58	2648 Sevierville Road, LLC	United States
59	2800 Hwy TT, LLC	United States
60	2808 Stoney Brook Drive, LLC	United States
61	2821 West Dixon Road, LLC	United States
62	2830 Highway 394, LLC	United States
63	2901 West 37th Avenue, LLC	United States
64	300 Fairgrounds Road, LLC	United States
65	300 North Washington Street, LLC	United States
66	308 West Maple Avenue, LLC	United States
67	3090 Five Points Hartford Road Realty, LLC	United States
68	3121 Glanzman Road Realty, LLC	United States
69	317 Blair Pike, LLC	United States
70	326 Lindley Lane, LLC	United States
71	3523 Wickenhauser, LLC	United States
72	3895 Keystone Avenue Realty, LLC	United States
73	393 Edwardsville Road, LLC	United States
74	405 Rio Vista Lane Realty, LLC	United States
75	414 Massey Avenue, LLC	United States
76	420 Jett Drive, LLC	United States
77	4250 Sodom Hutchings Road Realty, LLC	United States
78	4343 Kennedy Drive, LLC	United States
79	500 East Pickwick Drive, LLC	United States
80	501 S Monroe Street, LLC	United States
81	505 North Roan Street, LLC	United States
82	505 West Wolfe Street, LLC	United States
83	516 West Frech Street, LLC	United States
84	520 E Morse Avenue LLC	United States
85	524 Anderson Road, LLC	United States
86	52435 Infirmary Road, LLC	United States
87	5301 Wheeler Avenue, LLC	United States
88	548 South 100 West, LLC	United States
89	552 Golf Links Road, LLC	United States
90	5544 East State Boulevard, LLC	United States

91	5601 Plum Creek Drive Realty, LLC	United States
92	5720 West Markham Street, LLC	United States
93	601 N Rose Hill Road LLC	United States
94	612 East 11th Street, LLC	United States
95	620 West Strub Road Realty, LLC	United States
96	620 Wood Avenue LLC	United States
97	631 W Main Street, LLC	United States
98	640 West Ellsworth Street, LLC	United States
99	649 South Walnut, LLC	United States
100	6500 Kirby Gate Boulevard, LLC	United States
101	701 S 8th St, LLC	United States
102	704 5th Avenue East, LLC	United States
103	706 Oak Grove Street, LLC	United States
104	727 North 17th Street, LLC	United States
105	787 North Detroit Street, LLC	United States
106	800 South White Oak Road, LLC	United States
107	815 West Washington Street, LLC	United States
108	8200 National Avenue Realty, LLC	United States
109	826 North Street, LLC	United States
110	835 Union Street, LLC	United States
111	8400 Clearvista Place, LLC	United States
112	8701 Riley Drive, LLC	United States
113	900 Gagel Avenue, LLC	United States
114	902 Manor Drive, LLC	United States
115	9209 Dollarway Road, LLC	United States
116	9300 Ballard Road, LLC	United States
117	945 West Russell Street, LLC	United States
118	950 Cross Avenue Realty, LLC	United States
119	958 East Highway 46 Realty, LLC	United States
120	978 Highway 11 South, LLC	United States
121	981 Beechwood Avenue, LLC	United States
122	Ambassador Nursing Realty, LLC	United States
123	Arkansas Loan Acquisition, LLC	United States
124	Belhaven Realty, LLC	United States
125	Continental Nursing Realty, LLC	United States
126	Forest View Nursing Realty, LLC	United States
127	Lincoln Park Holdings, LLC	United States
128	Midway Neurological and Rehabilitation Realty, LLC	United States
129	Momence Meadows Realty, LLC	United States
130	Niles Nursing Realty, LLC	United States
131	Oak Lawn Nursing Realty, LLC	United States
132	Parkshore Estates Nursing Realty, LLC	United States
133	Strawberry Fields REIT, Inc.	United States
134	Strawberry Fields Management Services, LLC	United States
135	Strawberry Fields Realty, LP	United States
136	Strawberry Fields REIT, LTD	British Virgin Islands
137	The Big H2O, LLC	United States
138	TX/OK Funding, LLC	United States
139	West Suburban Nursing Realty, LLC	United States
140	Westshire Nursing Realty, LLC	United States

CERTIFICATION

I, Moishe Gubin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Strawberry Fields REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Moishe Gubin
Moishe Gubin
Chairman and Chief Executive Officer
Date: March 19, 2026

CERTIFICATION

I, Greg Flamion, certify that:

1. I have reviewed this Annual Report on Form 10-K of Strawberry Fields REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Greg Flamion
Greg Flamion, Chief Financial Officer

Date: March 19, 2026

**Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Strawberry Fields REIT, Inc. (the "Company") for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Moishe Gubin, Chairman and Chief Executive Officer of the Company, and Greg Flamion, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Moishe Gubin

Name: Moishe Gubin
Title: Chairman and Chief Executive Officer
Date: March 19, 2026

/s/ Greg Flamion

Name: Greg Flamion
Title: Chief Financial Officer
Date: March 19, 2026

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.
