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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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 Number: **001-41628**

Strawberry Fields REIT, Inc.
(Exact name of registrant as specified in its charter)

Maryland	**84-2336054**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

6101 Nimtz Parkway, South Bend, IN, 46628
(Address of principal executive offices)

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

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 12,992,595 shares of common stock, $0.0001 par value, issued and outstanding as of August 8, 2025.

STRAWBERRY FIELDS REIT, INC.

FORM 10-Q
June 30, 2025

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1 - Financial Statements

STRAWBERRY FIELDS REIT, INC. and Subsidiaries

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

	June 30, 2025 (unaudited)	December 31, 2024
Assets		
Real estate investments, net	$ 636,424	$ 609,058
Cash and cash equivalents	96,319	48,373
Restricted cash and equivalents	35,125	45,283
Straight-line rent receivable, net	30,724	27,702
Right of use lease asset	1,029	1,204
Goodwill, other intangible assets and lease rights	73,610	27,947
Deferred financing expenses	5,760	6,162
Note receivable, net	16,508	16,585
Other assets	1,755	5,275
Total Assets	**$ 897,254**	**$ 787,589**
Liabilities		
Accounts payable and accrued liabilities	$ 21,719	$ 18,718
Bonds, net	318,135	209,944
Senior debt	423,998	460,591
Note Payable	46,854	-
Operating lease liability	1,029	1,204
Other liabilities	18,899	13,561
Total Liabilities	**$ 830,634**	**$ 704,018**
Commitments and Contingencies (Note 8)		
Equity		
Preferred stock, $.0001 par value, 100,000,000 shares authorized, 0 shares issued and outstanding	$ -	$ -
Common stock, $.0001 par value, 500,000,000 shares authorized, 12,992,595 shares and 12,062,309 issued and outstanding	1	1
Additional paid in capital	17,554	16,535
Accumulated other comprehensive (loss) income	(3,439)	340

Retained earnings		1,376		1,292
Total Stockholders' Equity	**$**	**15,492**	**$**	**18,168**
Non-controlling interest	**$**	**51,128**	**$**	**65,403**
Total Equity	**$**	**66,620**	**$**	**83,571**
Total Liabilities and Equity	**$**	**897,254**	**$**	**787,589**

See accompanying notes to condensed consolidated financial statements.

STRAWBERRY FIELDS REIT, INC. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE (LOSS) INCOME

(unaudited)

(Amounts in $000's, except share and per share data)

	Six Months Ended June 30,				**Three Months Ended June 30,**			
	2025		**2024**		**2025**		**2024**	
Revenues								
Rental revenues	$	75,193	$	57,106	$	37,861	$	29,272
Expenses:								
Depreciation	$	17,377	$	14,214	$	8,695	$	7,020
Amortization		5,217		2,111		2,629		1,207
General and administrative expenses		4,056		3,643		1,999		2,101
Property taxes		7,425		7,161		3,775		3,446
Facility rent expenses		294		393		147		200
Total expenses	$	34,369	$	27,522	$	17,245	$	13,974
Income from operations		40,824		29,584		20,616		15,298
Interest expense, net	$	(24,001)	$	(15,438)	$	(11,365)	$	(7,706)
Amortization of deferred financing costs		(402)		(323)		(201)		(161)
Mortgage insurance premium		(776)		(791)		(388)		(391)
Total interest expense	$	(25,179)	$	(16,552)	$	(11,954)	$	(8,258)
Other income:								
Other income		8		-		-		-
Net income	$	15,653	$	13,032	$	8,662	$	7,040
Less -								
Net income attributable to non-controlling interest		(12,113)		(11,348)		(6,706)		(6,102)
Net income attributable to common stockholders		3,540		1,684		1,956		938
Other comprehensive (loss) income:								
(Loss) gain due to foreign currency translation		(16,746)		3,985		(20,820)		2,635
Comprehensive loss (gain) attributable to non-controlling interest		12,967		(3,466)		16,118		(2,284)
Comprehensive (loss) income	$	(239)	$	2,203	$	(2,746)	$	1,289
Net income attributable to common stockholders	$	3,540	$	1,684		1,956		938

Basic and diluted income per common share	$ .28	$ .26	$ .16	$ .14
Weighted average number of common shares outstanding	12,327,563	6,478,173	12,457,560	6,478,058

STRAWBERRY FIELDS REIT, INC. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Amounts in $000's)

See accompanying notes to condensed consolidated financial statements

	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
Common Stock Retirement (unaudited)	(19,348)	-	(153)	-	-	-	(153)
Dividends (unaudited)	-	-	-	-	(778)	-	(778)
Non-controlling interest distributions (unaudited)	-	-	-	-	-	(5,460)	(5,460)
Net change in foreign currency translation (unaudited)	-	-	-	168	-	1,182	1,350
Net income (unaudited)	-	-	-	-	746	5,246	5,992
Balance, March 31, 2024 (unaudited)	6,468,508	$ -	$ 5,593	$ 697	$ 1,200	$ 40,734	$ 48,224
Common Stock Retirement (unaudited)	(53,787)	-	(507)	-	-	-	(507)
OP Units Converted to Common Stock (unaudited)	484,146	-	-	-	-	-	-
Dividends (unaudited)	-	-	-	-	(834)	-	(834)
Non-controlling interest distributions (unaudited)	-	-	-	-	-	(5,890)	(5,890)
Net change in foreign currency translation (unaudited)	-	-	-	351	-	2,284	2,635
Net income (unaudited)	-	-	-	-	938	6,102	7,040
Balance, June 30, 2024 (unaudited)	6,898,867	$ -	$ 5,086	$ 1,048	$ 1,304	$ 43,230	$ 50,668
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 (unaudited)	250,000	-	-	-	-	-	-
ATM common stock sales (unaudited)	190,972	-	2,244	-	-	-	2,244
Employee common stock bonus (unaudited)	6,450	-	72	-	-	-	72

OP Units Retirement (unaudited)	-	-	-	-	-	(2,026)	(2,026)
Dividends (unaudited)	-	-	-	-	(1,714)	-	(1,714)
Non-controlling interest distributions (unaudited)	-	-	-	-	-	(6,020)	(6,020)
Net change in foreign currency translation (unaudited)	-	-	-	923	-	3,151	4,074
Reallocation of non-controlling interest (unaudited)	-	-	(1,659)	-	-	1,659	-
Net income (unaudited)	-	-	-	-	1,584	5,407	6,991
Balance, March 31, 2025 (unaudited)	12,509,731	$ 1	$ 17,192	$ 1,263	$ 1,162	$ 67,574	$ 87,192
Common Stock Retirement (unaudited)	(64,636)	-	(652)	-	-	-	(652)
OP Units Converted to Common Stock (unaudited)	547,500	-	-	-	-	-	-
Dividends (unaudited)	-	-	-	-	(1,742)	-	(1,742)
Non-controlling interest distributions (unaudited)	-	-	-	-	-	(6,020)	(6,020)
Net change in foreign currency translation (unaudited)	-	-	-	(4,702)	-	(16,118)	(20,820)
Reallocation of non-controlling interest (unaudited)	-	-	1,014	-	-	(1,014)	-
Net income (unaudited)	-	-	-	-	1,956	6,706	8,662
Balance, June 30, 2025 (unaudited)	12,992,595	$ 1	$ 17,554	$ (3,439)	$ 1,376	$ 51,128	$ 66,620

See accompanying notes to condensed consolidated financial statements

STRAWBERRY FIELDS REIT, INC. and Subsidiaries

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

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 15,653	$ 13,032
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,594	16,325
Amortization of bond issuance costs	1,380	162
Stock Based Compensation	72	-
Amortization of deferred financing costs	402	323
Increase in other assets	(723)	(3,446)
Amortization of right of use lease asset	175	292
Foreign currency translation adjustments	4,086	657
Increase in straight-line rent receivables, net	(3,022)	(1,935)
Increase (decrease) in accounts payable and accrued liabilities and other liabilities	8,339	(2,424)

Repayment of operating lease liability		(175)		(292)
Net cash provided by operating activities	$	48,781	$	22,694
Cash flow from investing activities:				
Purchase of real estate investments	$	(40,500)	$	(5,825)
Purchase of lease rights		-		(18,000)
Principal payments of notes receivable		77		564
Net cash used in investing activities	$	(40,423)	$	(23,261)
Cash flows from financing activities:				
Proceeds from issuance of bonds, net	$	85,979	$	25,691
Proceeds from issuance of ATM sales, net		2,244		-
Repayment of senior debt		(36,593)		(7,142)
Repayment of Note Payable		(4,026)		-
Payment of dividends		(3,456)		(1,612)
Non-controlling interest distributions		(12,040)		(11,350)
OP unit retirement		(2,026)		-
Common Stock Retirement		(652)		(660)
Net cash provided by financing activities	$	29,430	$	4,927
Increase in cash and cash equivalents and restricted cash and equivalents	$	37,788	$	4,360
Cash and cash equivalents and restricted cash and equivalents at the beginning of the period	$	93,656	$	37,758
Cash and cash equivalents and restricted cash and equivalents at the end of the period	$	131,444	$	42,118

STRAWBERRY FIELDS REIT, INC. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, continued
(Amounts in $000's)

	Six Months Ended June 30,			
	2025		2024	
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the period for interest	$	22,925	$	15,075
Supplemental schedule of noncash activities:				
Accumulated other comprehensive (loss) income:				
Foreign currency translation adjustments	$	(16,746)	$	3,985
Note Payable in exchange for acquisition of intangible asset	$	50,880	$	-
Transfer of other assets to real estate Investments, net	$	4,243		-
Right of use lease asset obtained in exchange for operating lease liabilities	$	-	$	3,017

See accompanying notes to condensed consolidated financial statements

NOTES TO CONDENSED 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. The Company conducts its business through a traditional UPREIT structure in which substantially all 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 23.3% and 22.1% of the outstanding Operating Partnership units ("OP units") as of June 30, 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 June 30, 2025, the Company's portfolio consists of 121 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 June 30, 2025, the portfolio properties are located in Arkansas, Illinois, Indiana, Kansas, Kentucky, Michigan, 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.

Interim Condensed Consolidated Financial Statements

The accompanying unaudited, condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information, and the Securities and Exchange Commission ("SEC") rules for interim financial reporting. Certain information and footnote disclosures normally included in the condensed consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. However, in the opinion of management, the accompanying interim condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the Company's condensed consolidated financial position as of June 30, 2025, and the condensed consolidated results of operations and cash flows for the periods presented. The condensed consolidated results of operations for interim periods are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the fiscal year ending December 31, 2025.

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 condensed 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 condensed consolidated balance sheets represents OP units not held by the Company and represents approximately 76.7% and 78.3% of the outstanding OP Units issued by the Operating Partnership as of June 30, 2025 and December 31, 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 period.

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").

NOTE 2. Summary of Significant Accounting Policies

Fiscal Year End

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

Use of Estimates

Management is required to make estimates and assumptions in the preparation of the condensed 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's estimates.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and 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 cash 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. On June 30, 2025 and December 31, 2024, the Company had $117.3 million and $80.0 million, respectively, on deposit in excess of federally insured limits.

Restricted Cash and Cash Equivalents

Restricted cash 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

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 condensed 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.

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 is recognized when control of the property is transferred and it is probable that substantially all consideration will be collected.

Allowance for Doubtful Accounts

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 doubtful accounts 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.

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 cash 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 monitors these rights, 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 June 30, 2025 and December 31, 2024, the Company held four notes receivable with an outstanding balance of $16.5 million. The notes have maturities ranging from 2025 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 June 30, 2025.

Market Concentration Risk

As of June 30, 2025 and December 31, 2024, the Company owned 121 and 113 properties and leased 1 property, respectively. The facilities are located in 11 states, with 20 facilities of its total facilities located in Illinois (which include 4,226 skilled nursing beds or 28.6% 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 23.1% 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 condensed 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.

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

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 period. At June 30, 2025 and 2024, there were 42,452,408 and 44,889,469 OP units outstanding which were potentially dilutive securities. During the six month periods ended June 30, 2025 and 2024 the assumed conversion of the OP units had no impact on basic income per share.

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 income, a component of equity on the condensed 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 income (loss), in the condensed 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.

Real Estate Investments – Held for Sale

As of June 30, 2025, and December 31, 2024, the Company had one property included in real estate investments which was held for sale and carried at the lower of its net book value or fair value on a non-recurring basis on the condensed 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 condensed 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.

NOTE 3. Restricted Cash and Equivalents

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

	June 30, 2025	December 31, 2024
	(amounts in $000's)	
Escrow with Trustee	$ 2,018	$ 16,609
MIP escrow accounts	1,309	688
Other escrow and debt deposits	270	270
Property tax and insurance escrow	7,501	7,228
Interest and expense reserve bonds escrow	12,145	8,225
HUD replacement reserves	11,882	12,263
Total restricted cash and equivalents	$ 35,125	$ 45,283

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 mortgage insurance premiums 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 - Note Payable and Senior 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)	June 30, 2025	December 31, 2024
		(Amounts in $000's)	
Buildings and improvements	7-45	$ 716,669	$ 683,582
Equipment and personal property	2-18	113,952	104,869
Land	-	71,609	69,036
		902,230	857,487
Less: accumulated depreciation		(265,806)	(248,429)
Real estate investments, net		$ 636,424	$ 609,058

For the three-month periods ended June 30, 2025 and 2024, total depreciation expense was $8.7 million and $7.0 million, respectively. For the six-month periods ended June 30, 2025 and 2024, total depreciation expense was $17.4 million and $14.2 million, respectively.

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

Acquisition of Properties

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 the note payable in the accompanying condensed 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 the cash from the condensed 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 condensed 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. Base rent for this property is $1.3 million dollars annually. The property was added to an existing master lease and is subject an annual base rate increase of 3%. The initial term is approximately 10 years and includes two 5 year extensions.

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)	
Balances, December 31, 2023			
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	-	18,000	18,000
Amortization	-	(2,111)	(2,111)
Balances, June 30, 2024			
Gross	1,323	72,577	73,900
Accumulated amortization	-	(49,407)	(49,407)

Net carrying amount	$ 1,323	$ 23,170	$ 24,493
Balances, December 31, 2024			
Gross	$ 1,323	78,577	79,900
Accumulated amortization	-	(51,953)	(51,953)
Net carrying amount	1,323	26,624	27,947
Acquisition of lease rights	-	50,880	50,880
Amortization	-	(5,217)	(5,217)
Balances, June 30, 2025			
Gross	1,323	129,457	130,780
Accumulated amortization	-	(57,170)	(57,170)
Net carrying amount	$ 1,323	72,287	73,610

Estimated amortization expense for all lease rights for each of the future years ending December 31, is as follows:

	Amortization of Lease Rights
	(Amounts in $000's)
2025 (six months)	$ 5,258
2026	8,175
2027	7,949
2028	7,564
2029	7,488
Thereafter	35,853
Total	$ 72,287

NOTE 6. Leases

As of June 30, 2025, and December 31, 2024, the Company had leased 122 properties and 114 properties, respectively, to tenant/operators in the States of Arkansas, Illinois, Indiana, Kansas, Kentucky, Michigan, Missouri, Ohio, Oklahoma, Tennessee and Texas. As of June, 30, 2025 and December 31, 2024, all the Company's 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 by the Company for the periods indicated:

	June 30, 2025	**December 31, 2024**
Cumulative number of properties	122	114
Cumulative number of operational beds	14,752	14,186

The following table provides additional information regarding the facilities leased by the Company as of June 30, 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
Michigan	100	1	-	1
Ohio	238	4	-	4
Tennessee	1,412	15	-	15
Kentucky	1,163	10	-	10
Arkansas	1,568	13	-	13
Oklahoma	337	3	-	3
Texas	839	6	-	6
Missouri	1,111	8	-	8
Kansas	354	6	-	6
Total Properties	14,752	121	1	122
Facility Type				
Skilled Nursing Facilities	14,345	119	1	120
Long-Term Acute Care Hospitals	63	2	-	2
Assisted Living Facility	344	10	-	10
Total facilities	14,752	131	1	132

As of June 30, 2025, total future minimum rental revenues for the Company's tenants are as follows:

Year	Amount
(Amounts in $000s)	
2025 (six month period)	$ 63,344
2026	118,687
2027	120,806
2028	118,514
2029	112,179
Thereafter	456,709
Total	$ 990,239

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 a third-party operator:

	June 30, 2025	December 31, 2024
Number of facilities leased and subleased to third parties	1	1
Number of operational beds	68	68

Right of use asset and operating lease liability are disclosed as separate line items in the condensed consolidated balance sheets and are valued based on the present value of the future minimum lease payments at the 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 in Indiana. The Indiana lease has an initial term that 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):

	Six Month Period ended June 30,		Three Month Period ended June 30,	
	2025	2024	2025	2024
Operating lease cost	$ 198	384	99	132

	June 30, 2025	December 31, 2024
Operating lease right of use asset	$ 1,029	$ 1,204
Operating lease liability	$ 1,029	$ 1,204
Weighted average remaining lease term-operating leases (in years)	2.75	3.25
Weighted average discount rate	4.1%	4.1%

Future minimum operating lease payments under non-cancellable leases as of June 30, 2025, reconciled to the Company's operating lease liability presented on the condensed consolidated balance sheets are:

	(Amounts in $'000s)
2025 (six month period)	$ 199
2026	397
2027	397
2028	99
Total	$ 1,092
Less Interest	(63)
Total operating lease liability	$ 1,029

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 six-month periods ended June 30, 2025 and 2024, was $110,000 and $107,000, respectively. Rental expense under the leases for the three-month periods ended June 30, 2025 and 2024, were $55,000 and $53,000, respectively.

NOTE 7. Bonds, Note Payable and Senior Debt

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

	Weighted Interest Rate at June 30, 2025	June 30, 2025	December 31, 2024
		(Amounts in $'000s)	
HUD guaranteed loans	3.26%	$ 258,150	$ 262,150
Bank loans	7.74%	165,848	198,441
Series A, B, C, and D bonds	6.81%	323,270	213,344
Note payable	10.0%	46,854	-
Gross bonds, note payable, and senior debt		$ 794,122	$ 673,935
Debt issuance costs		(5,135)	(3,400)
Net bonds, note payable, and senior debt		$ 788,987	$ 670,535

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

Year Ending December 31,	Amount
2025 (six-month period)	$ 25,778
2026	246,796
2027	82,709
2028	62,834
2029	156,925
Thereafter	219,080
	$ 794,122

Debt Covenant Compliance

As of June 30, 2025 and December 31, 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 June 30, 2025, the Company was in compliance with all financial and administrative covenants.

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%.

Senior Debt – 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 June 30, 2025, the rate was 7.95%). On June 30, 2025, the Company paid down $30 million dollars of the outstanding loan. As of June 30, 2025 and December 31, 2024, total amounts outstanding were $63.2 million and $95.1 million, respectively. This facility 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 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 is an interest only facility for the first 12 months and provides for monthly payments of principal and interest based on a 20-year amortization starting in the second year 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 June 30, 2025, the rate was 7.95%). On December 17, 2024, the Company paid down $24 million dollars of the outstanding loan. As of June 30, 2025 and December 31, 2024, total amounts outstanding were $41.0 million and $41.6 million, respectively. This facility loan is collateralized by and was used for the acquisition of 19 properties (24 facilities).

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

Senior Debt – Commercial Bank Mortgage Loan Facility (Cont.)

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 dollar 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 June 30, 2025, and December 31, 2024, total amounts outstanding were $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 $59.0 million. The facility provides for monthly payments of interest and payment of principal and interest will start 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 June 30, 2025, the rate was 7.45%). As of June 30, 2025, and December 31, 2024, the 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 $20,000,000. As of June 30, 2025 the Company was in compliance with the loan covenants.

The credit facility that 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 June 30, 2025, the Company was in compliance with the loan covenants.

Series A Bonds

In August 2024, Strawberry Fields REIT, 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 was 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 June 30, 2025 and December 31, 2024 the outstanding balance of the Series A Bonds was $95.7 million and $88.5 million, respectively. Increase in outstanding balance was due to a change in the exchange rate.

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 ilA+.

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.

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

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 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 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 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

● The Company's bond rating ilA+ 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 A Bonds at any time not to exceed a maximum outstanding of NIS 550 million (or $163 million).

Redemption Provisions

- 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;

- 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.

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

Change of Control

The holders of a majority of the Series A Bonds may accelerate 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 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.

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.

As of June 30, 2025, the outstanding balance of the Series B Bonds was $92.5 million. Increase in the outstanding balance was 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 ilA+.

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 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 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 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.

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

Increase in Interest Rate

● The Company's bond rating ilA+ 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 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;

- 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 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 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

Series C Bonds

In July 2021, the British Virgin Islands Company ("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. At June 30, 2025 and December 31, 2024 the total Series C Bond outstanding was $79.3 million and $73.3 million, respectively. Increase in outstanding balance was due to a change in exchange rate.

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

Series C Bonds (Cont.)

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 ilA+.

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 condensed consolidated stockholders' equity of the BVI Company to its total condensed 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%.

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

Series C Bonds (Cont.)

Dividend Restrictions

The indenture for the Series C Bonds limits the amount of dividends that may be paid by the BVI Company to the Operating Partnership. 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 condensed 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.

As of June 30, 2025, the BVI Company met these financial conditions, and the BVI Company was not in violation of 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 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

(iv) the ratio of outstanding amount of the Series C Bonds to the fair market value of the collateral for the Series C 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.

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

Series C Bonds (Cont.)

Security

The Series C Bonds are secured by first mortgage liens on nine 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 75%. 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%. As of June 30, 2025, the ratio of outstanding Series C Bonds to fair value of the collateral was 68.1%.

Additional Bonds

The BVI Company can issue additional Series C Bonds at any time not to exceed a maximum outstanding of NIS 630 million (or $187 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 C Bonds for thirty (30) trading days before the date on which the board of directors resolves to undertake the early redemption;

- 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 1.0% per annum for early repayment performed by September 30, 2022, 2.5% from October 1, 2022 to September 30, 2023, and 3.0% thereafter.

Change of Control

The holders of a majority of the Series C Bonds may accelerate 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 purposes of the Series C Bonds, the "controlling stockholders" of the BVI Company are deemed to be Moishe Gubin and Michael Blisko.

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

Change of Control (Cont.)

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.

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 50.6 million NIS Series A Bonds ($13.6 million).

As of June 30, 2025 and December 31, 2024, the outstanding balance of the Series D Bonds were $55.7 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 ilA.

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 payments 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 condensed consolidated stockholders' equity of the BVI Company to its total condensed 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.

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

Series D Bonds (Cont.)

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 condensed 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 June 30, 2025.

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.

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

Series D Bonds (Cont.)

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 $133 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;

- 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 will be 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 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.

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

Change of Control (Cont.)

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 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.

NOTE 8. Commitments and Contingencies (Cont.)

In April of 2024, Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a third complaint in the Circuit Court in Pulaski County, Arkansas. This third complaint had nearly identical claims as the federal case and the Illinois state court matter.

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 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.

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 had 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 June 30, 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 six-month period June 30, 2025.

NOTE 10. Stockholders' Equity and Distributions

The Company elected and qualified to be treated as a REIT commencing with the taxable year ended 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 June 30, 2025 the Company had purchased 319,584 shares in aggregate of common stock at an average price per share of $9.96 and an aggregate repurchase price of $3.2 million.

As of June 30, 2025, there were a total of 12,992,595 shares of common stock issued and outstanding. The outstanding shares were held by a total of approximately 4,500 stockholders of record, including certain affiliates of the Company who held 1,258,130 of these shares.

As of June 30, 2025, there were 42,452,408 OP units outstanding. Under the terms of the partnership agreement for the Operating Partnership, such holders have the right to request the cash redemption of their OP units. If a holder requests redemption, the Company has the option of issuing shares of common stock to the requesting holder instead of cash. The OP unit holders are required to obtain Company approval prior to the sale or transfer of any or all of such holder's OP units.

The Company has reserved a total of 42,452,408 shares of common stock that may be issued, at the Company's option, upon redemption of the OP units outstanding as of June 30, 2025.

NOTE 11. Related Party Transactions and Economic Dependence

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

Moishe Gubin	CEO & Chairman of the Board and a stockholder of the Company
Michael Blisko	Director and a stockholder of the Company
Operating entities	See list below

Lease Agreements with Related Parties

As of June 30, 2025 and December 31, 2024, each of the Company's facilities was 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 67 tenants out of 132 who were related parties as of June 30, 2025, and 67 tenants out of 124 who were related parties as of December 31, 2024. Most of the lease agreements are triple net leases.

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

Lease Agreements with Related Parties (cont.)

The related party interests were via Gubin Enterprises LP and Blisko Enterprises LP. Gubin Enterprises LP is controlled by Moishe Gubin, Chairman of the Board. Blisko Enterprises LP is controlled by Michael Blisko, who serves as Director on the Board of Directors. The related party facilities are concentrated in 3 states: Indiana, Tennessee and Illinois. As of June 30, 2025, in these states, the Company leased 41, 15, and 11 facilities, respectively to related parties.

Balances with Related Parties

	June 30, 2025	December 31, 2024
	(amounts in $000s)	

Straight-line rent receivable	$ 18,330	$ 17,801
Tenant portion of replacement reserve	$ 8,582	$ 9,664
Notes receivable	$ 5,891	$ 6,295

Payments from and to Related Parties

	Six Months ended June 30,		Three Months ended June 30,	
	2025	2024	2025	2024
	(amounts in $000s)		(amounts in $000s)	
Rental income received from related parties	$ 34,890	35,149	$ 17,445	18,435

Other Related Party Relationships

On June 30, 2025 and December 31, 2024, the Company had approximately $1.0 million and $5.9 million, respectively, on deposit with OptimumBank. Mr. Gubin is the Chairman of the Board of OptimumBank, and Mr. Blisko is a director.

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 commencing with the year ended December 31, 2022.

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 recent 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 condensed consolidated financial statements.

NOTE 13. Fair Value of Financial Instruments

The Company is required to disclose the fair value of financials 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 condensed 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 condensed 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 condensed consolidated balance sheets are reported below:

		June 30, 2025		December 31, 2024	
(amounts in $000s)	**Level**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Bonds, note payable, and senior debt	3	$ 794,122	$ 810,428	$ 673,935	$ 675,941
Notes receivable, net	3	$ 16,508	$ 16,452	$ 16,585	$ 16,488

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

NOTE 14. Subsequent Events

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 $59,000,000 and the Company funded the acquisition utilizing working capital. 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. 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 gain of $0.1 million dollars resulted from this sale. The seller also 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 July 22, 2025, the Company entered into a purchase agreement 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 condensed consolidated balance sheet. The initial annual base rents are $0.4 million dollars and subject to 3% annual rent increases. The closing date of the transaction was August 5, 2025.

NOTE 15. Financing Income (Expenses), Net

	Six months ended June 30,		Three months ended June 30	
	2025	**2024**	**2025**	**2024**
	(amounts in $000s)		**(amounts in $000s)**	
Financing expenses				
Interest expenses with respect to bonds	$ (9,861)	$ (4,735)	$ (4,405)	$ (2,451)

Interest expenses on notes payable and senior debt	(14,770)	(11,118)	(7,342)	(5,487)
Interest expenses with respect to leases	(28)	(92)	(16)	(45)
Total financing expenses	**$ (24,659)**	**$ (15,945)**	**$ (11,763)**	**$ (7,983)**
Financing income	**$ 658**	**$ 507**	**$ 398**	**$ 277**
Interest Expense, Net	**$ (24,001)**	**$ (15,438)**	**$ (11,365)**	**$ (7,706)**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Certain statements in this quarterly Report on Form 10-Q 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-Q 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-Q. 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, Kentucky, Michigan, 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 the long-term healthcare industry and shifts in the perception of various types of long-term care facilities, including skilled nursing facilities;

Forward-Looking Statements (continued)

- 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.

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. Currently, our portfolio consists of 130 healthcare properties with an aggregate of 15,418 licensed beds. We hold fee title to 129 of these properties and hold one property under a long-term lease. These properties are located in Arkansas, Illinois, Indiana, 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.

Overview (continued)

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 June 30, 2025, the aggregate annualized average base rent under the leases for our properties was approximately $141.9 million.

We elected a REIT status for U.S. federal income tax purposes commencing with our taxable year ended 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 23.3% of outstanding OP units.

Recent Developments

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. The Company funded the acquisition utilizing cash from the balance sheet. 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 Tel Aviv stock exchange ("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.

As of the date of this report, none of the Company's tenants are delinquent on the payment of rent, and there have been no requests to amend the terms of their respective leases or to reduce current or future lease payments.

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, 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Operating Results

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024:

	Three Months Ended June 30,	Increase /	Percentage

(dollars in thousands except per share data)	2025	2024	(Decrease)	Difference
Revenues:				
Rental revenues	$ 37,861	$ 29,272	$ 8,589	29%
Expenses:				
Depreciation	8,695	7,020	1,675	24%
Amortization	2,629	1,207	1,422	118%
General and administrative expenses	1,999	2,101	(102)	(5)%
Property and other taxes	3,775	3,446	329	10%
Facility rent expenses	147	200	(53)	(27)%
Total Expenses	17,245	13,974	3,271	23%
Interest expense, net	11,365	7,706	3,659	48%
Amortization of interest expense	201	161	40	25%
Mortgage insurance premium	388	391	(3)	(1)%
Total Interest Expenses	11,954	8,258	3,696	45%
Other income				
Other income	-	-	-	0%
Net income	8,662	7,040	1,622	23%
Net income attributable to non-controlling interest	(6,706)	(6,102)	(604)	(10) %
Net income attributable to common stockholders	1,956	938	1,018	109%
Basic and diluted income per common share	$ 0.16	$ 0.14	$ 0.02	14%

Rental revenues: The increase in rental revenues of $8.6 million or 29% is due to higher income from the purchase of additional properties and lease renewals.

Depreciation and amortization: The increase in depreciation and amortization of $3.1 million or 37% is primarily due to new properties and lease rights purchased since June 30, 2024 offset by lower depreciation from fully depreciated assets.

General and administrative expenses: The decrease in general and administrative expenses of $0.1 million or (5)% reflects lower amounts for repairs and maintenance, lower compensation expenses, offset by higher professional fees.

Interest expense, net: The increase in interest expense of $3.7 million or 48% is primarily due to an increase in the additional interest from a new loan from a commercial bank, the Series A and Series B Bond issuances, as well as additional sales of existing bond series that occurred since 2Q 2024.

Net income: The increase in net income from $7 million during the second quarter of 2024, to $8.7 million income during the second quarter of 2025 is primarily a result of higher rental income and new purchases since the second quarter of 2024 offset by higher depreciation and amortization expenses, and an increase in interest expense.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024:

(dollars in thousands)	Six Months Ended June 30, 2025	2024	Increase / (Decrease)	Percentage Difference
Revenues:				
Rental revenues	$ 75,193	$ 57,106	$ 18,087	32%
Expenses:				
Depreciation	17,377	14,214	3,163	22%
Amortization	5,217	2,111	3,106	147%
General and administrative expenses	4,056	3,643	413	11%
Property and other taxes	7,425	7,161	264	4%
Facility rent expenses	294	393	(99)	(25)%
Total Expenses	34,369	27,522	6,847	25%
Interest expense, net	24,001	15,438	8,563	55%
Amortization of interest expense	402	323	79	25%
Mortgage insurance premium	776	791	(15)	(2)%
Total Interest Expenses	25,179	16,552	8,627	52%
Other income				
Other income	8	-	8	100%
Net income	15,653	13,032	2,621	20%
Net income attributable to non-controlling interest	(12,113)	(11,348)	(765)	(7)%
Net income attributable to common stockholders	3,540	1,684	1,856	110%
Basic and diluted income per common share	$ 0.28	$ 0.26	$ 0.02	8%

Rental revenues: The increase in rental revenue of $18.1 million or 32% is due to the acquisition of new properties and the renegotiation of certain leases.

Depreciation and amortization: The increase in depreciation of $6.3 million or 38% is primarily due to purchases of new properties and lease rights offset by lower depreciation from fully depreciated assets.

General and administrative: The increase in general and administrative of $0.4 million or 11% is primarily a result of higher professional fees offset by lower legal fees, and insurance costs

Results of Operations (continued)

Interest expense, net: The increase in interest expense of $8.6 million or 55% is primarily related to an increase in the additional interest on a new loan from a commercial bank and Series A and B Bond issuances, as well as additional sales of existing bond series that occurred since 2Q 2024.

Net income: The increase in net income to $15.7 million in 2025 is primarily a result of higher rental income and acquisitions since 2Q 2024 offset by higher interest expenses and higher depreciation and amortization 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 June 30, 2025, we had cash and cash equivalents and restricted cash and equivalents of $131.4 million. We also had the ability to offer an additional $67 million in Series A Bonds, $107.7 million in Series C Bonds and an additional $77.3 million in Series D Bonds 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, stock sales 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 June 30, 2025, on a condensed consolidated basis, we had total indebtedness of approximately $794.1 million, consisting of $258.2 million in HUD guaranteed debt, $323.3 million in Series A, Series B, Series C Bonds and Series D Bonds outstanding, and $165.8 million in commercial mortgages loans. Under our bonds and our commercial mortgages loans, we are subject to continuing covenants, and future indebtedness that the Company 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.

Through 2029 there are six balloon payment obligations consisting of a payment of $73.8 million due under the Series C Bonds in 2026, a payment of $89.8 million due under the Series A Bonds in 2026, a payment of $52.3 million due under the Series D Bonds in 2026, a payment of $57.1 million due under our commercial bank mortgage loan facility due in 2027, a payment of $36.6 million due under our commercial bank mortgage loan facility due in 2028, a payment of $81.4 million due under the Series B Bonds in 2029 and a payment of $52.7 million due under our commercial bank mortgage loan facility due in 2029. We may also obtain additional financing that contains balloon payment obligations. These types of obligations may 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, and to be able to refinance it debt to the extent necessary to meet it balloon payment obligations.

Cash Flows

The following table presents selected data from our condensed consolidated statements of cash flows for the periods presented:

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
(dollars in thousands)		
Net cash provided by operating activities	$ 48,781	$ 22,694
Net cash used in investing activities	(40,423)	(23,261)
Net cash provided by financing activities	29,430	4,927
Net increase in cash and cash equivalents and restricted cash and cash equivalents	37,788	4,360
Cash and cash equivalents, and restricted cash and cash equivalents beginning of period	93,656	37,758
Cash and cash equivalents and restricted cash and cash equivalents, end of period	$ 131,444	$ 42,118

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cash Flows (continued)

Net cash provided by operating activities was $48.8 million for the six months ended June 30, 2025 and primarily consisted of net earnings of $15.7 million adjusted by depreciation and amortization of $22.6 million offset by an increase in assets of $0.7 million and a decrease in other accrued liabilities of $8.3 million. Net cash provided by operating activities was $22.6 million for the six months ended June 30, 2024 and primarily consisted of net earnings of $13.0 million adjusted by depreciation and amortization of $16.3 million

Cash used in investing activities for the six months ended June 30, 2025 was comprised of $40.4 million for the acquisition of properties for Kansas Master Lease, a property in Oklahoma as well as a property in Texas. This was offset by $0.1 million in principal payments on notes receivable. Cash used in investing activities was $23.3 million for the six months ended June 30, 2024 was comprised of the acquisition of the lease rights to the Indiana Master Lease 2 as well as the new facility in Georgetown, Indiana offset by $0.6 million of principal payments on notes receivable.

Cash provided by financing activities for the six months ended June 30, 2025 was comprised of proceeds from the issuance of Series B Bonds $86 million offset by Non-controlling interest distributions of $12.0 million, repayments of senior debt $36.6 million, dividend payments of $3.5 million and $4.0 million in repayments of the note payable. Cash provided by financing activities for the six months ended June 30, 2024 were primarily comprised of a issuance of Series D Bonds of $25.7 million. These amounts were offset by $7.1 million in principal debt payments, dividends paid to common shareholders of $1.6 million and a $11.4 million distribution to the non-controlling interest holders.

Indebtedness

Mortgage Loans Guaranteed by HUD

As of June 30, 2025, we had non-recourse mortgage loans of $258.2 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 June 30, 2025, was 3.91% per annum (including the mortgage insurance payments). The loans have an average maturity of 25.0 years.

Commercial Bank Term Loan

On March 21, 2022, the Company closed a mortgage loan with a commercial bank pursuant to which the Company borrowed approximately $105 million. The loan agreement 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 SOFR plus a margin of 3.5% and a floor of 4% (as of June 30, 2025, rate was 7.95%). On June 30, 2025 the Company paid down $30 million dollars of the outstanding loan. As of June 30, 2025 and December 31, 2024, total outstanding principal amount was $63.2 million and $95.1 million, respectively. This loan is collateralized by 21 properties owned by the Company.

Indebtedness (continued)

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 is an interest only facility for the first 12 months and beginning in the second year monthly payments of principal and interest based on a 20-year amortization schedule 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 June 30, 2025, the rate was 7.95%). On December 17, 2024 the company paid down $24 million dollars of the outstanding loan. As of June 30, 2025, and December 31, 2024, total amounts outstanding were $41.0 million and $41.6 million, respectively. This facility loan is collateralized by and was used for the acquisition of 19 properties (24 facilities).

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 dollar 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.

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 will start 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 June 30, 2025, the rate was 7.45%). As of June 30, 2025 and December 31, 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. See note 4 of the financial statements included in Part I to this Form 10-Q.

The two credit facilities 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 $20,000,000. As of June 30, 2025, the Company was in compliance with the loan covenants.

The credit facility that 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 June 30, 2025, the Company was in compliance with the loan covenants.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Indebtedness (continued)

Outstanding Bond Debt

As of June 30, 2025, the Company had outstanding Series A, Series B, Series C and Series D Bonds.

Series A Bonds

In August 2024, Strawberry Fields REIT, Inc completed, directly, an initial offering on the 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 Inc 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 June 30, 2025, the outstanding balance of the Series A Bonds was NIS 322.8 million ($95.7 million),

The Series A Bonds are traded on the TASE.

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 312.0 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.

As of June 30, 2025, the outstanding balance of the Series B Bonds was NIS 312.0 million ($92.8 million),

The Series B Bonds are traded on the TASE.

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 ($64.7 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 June 30, 2025, the outstanding principal amount of the Series C Bonds was NIS 267.5 million ($79.3 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 July 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 June 30, 2025, the Series D Bonds had an outstanding principal balance of approximately NIS 187.8 ($55.7 million).

The Series D Bonds are traded on the TASE.

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 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%.

Summary of fixed and variable loans

	June 30, 2025	December 31, 2024
	(Amounts in $000s)	
Fixed rate loans	$ 631,010	$ 475,494
Variable rate loans	163,112	198,441
Gross Note payable and senior debt	$ 794,122	$ 673,935

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Funds From Operations ("FFO")

The Company believes 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 uses 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 six and three months ended June 30, 2025 and 2024, to net income the most directly comparable GAAP financial measure, for the same periods:

FFO and AFFO

	Six Months Ended June 30,		**Three Months Ended June 30,**	
	2025	**2024**	**2025**	**2024**
(dollars in $1,000s)				
Net income	$ 15,653	$ 13,032	$ 8,662	$ 7,040
Depreciation and amortization	22,594	16,324	11,324	8,228
Funds from Operations	38,247	29,356	19,986	15,268
Adjustments to FFO**:**				
Straight-line rent	(3,022)	(1,935)	(1,087)	(967)
Funds from Operations, as Adjusted	$ 35,225	$ 27,421	$ 18,899	$ 14,301

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Subsequent Events

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 $59,000,000 and the Company funded the acquisition utilizing working capital. 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. 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 gain of $0.1 million dollars resulted from this sale. The seller also 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 July 22, 2025, the Company entered into a purchase agreement 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 condensed consolidated balance sheet. The initial annual base rents are $0.4 million dollars and subject to 3% annual rent increases. The closing date of the transaction was August 5, 2025.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q have been prepared in accordance with GAAP for interim financial information set forth in the Accounting Standards Codification, as published by the Financial Accounting Standards Board. GAAP requires us to make estimates and assumptions regarding future events 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 periods. We base these estimates on our experience and assumptions we believe to be reasonable under the circumstances. However, if our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, we may have applied a different accounting treatment, resulting in a different presentation of our financial statements. We periodically reevaluate our estimates and assumptions, and in the event they prove to be different from actual results, we make adjustments in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. Please refer to "Critical Accounting Policies" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our 2024 Annual Report on 10-K filed on March 13, 2025 for further information regarding the critical accounting policies that affect our more significant estimates and judgments used in the preparation of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. There have been no material changes in such critical accounting policies during the six months ended June 30, 2025.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

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 June 30, 2025, we had $95.8 million outstanding under our Series A Bonds, which bear interest at a fixed 6.97% per annum, we had $92.5 million outstanding under our Series B Bonds, which bear interest at a fixed rate of 6.70% per annum, we had $79.3 million outstanding under our Series C Bonds, which bear interest at a fixed rate of 5.7% per annum, $55.7 million outstanding under our Series D Bonds, which bear interest at a fixed rate of 9.1% per annum, and $470.9 million in senior debt notes, of which $163.1 million (20.5% of total debt) are floating rate debt, which bears interest at a variable rate equal to one-month SOFR plus a margin. At June 30, 2025, one month SOFR was 4.45%. 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, changes 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 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and regulations and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of June 30, 2025, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of June 30, 2025.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. 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 5 properties located in Massachusetts. The complaint was dismissed by the court in 2020 for lack of subject matter jurisdiction. 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, and now has been dismissed.

In April of 2024 . Joseph Schwartz, Rosie Schwartz and several companies controlled by them filed a third complaint in the Circuit Court in Pulaski County, Arkansas. This third complaint had nearly identical claims as the federal case and the Illinois state court matter.

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 fulfil 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 noted above, the March 2020 and 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 subsidiaries 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 2. Unregistered Sales of Equity Securities and Use of Proceeds

No redemptions occurred in the first half of 2025.

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	
3.1	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.
3.2	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.
4.1	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.

31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Strawberry Fields REIT, Inc.*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Strawberry Fields REIT, Inc.*
32.1	Section 1350 Certification of the Chief Executive Officer of Strawberry Fields REIT, Inc.**
32.2	Section 1350 Certification of the Chief Financial Officer of Strawberry Fields REIT, Inc.**
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL: (i) condensed consolidated Balance Sheets, (ii) condensed consolidated Statements of Income and Comprehensive Income, (iii) condensed consolidated Statements of Changes in Equity, (iv) condensed consolidated Statements of Cash Flows, and (v) Notes to condensed consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

* Exhibits that are filed herewith.
** Exhibits that are furnished herewith

SIGNATURES

Pursuant to the requirements 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.

Date: August 8, 2025

By: */s/ Moishe Gubin*
Name: Moishe Gubin
Title: Chief Executive Officer and Chairman

Date: August 8, 2025

By: */s/ Greg Flamion*
Name: Greg Flamion
Title: Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER REQUIRED BY RULE 13A-14(A)/15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I certify that:

1. I have reviewed this report on Form 10-Q of Strawberry Fields REIT, Inc. (the "Company");

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 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 Company 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 that entity, 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit Committee of the Company's Board of Directors:

   (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.

/s/ Moishe Gubin
Moishe Gubin
Principal Executive Officer
Date: August 8, 2025

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(A)/15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934

I certify that:

1. I have reviewed this report on Form 10-Q of Strawberry Fields REIT, Inc. (the "Company");

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 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 Company 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 that entity, 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit Committee of the Company's Board of Directors:

   (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.

/s/ Greg Flamion

Greg Flamion
Principal Financial Officer
Date: August 8, 2025

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADDED BY

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Strawberry Fields REIT, Inc. (the "Company") on Form 10-Q for the three and six months ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, as the Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as added by § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

/s/ Moishe Gubin
Moishe Gubin
Principal Executive Officer
Date: August 8, 2025

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADDED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Strawberry Fields REIT, Inc. (the "Company") on Form 10-Q for the three and six months ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, as the Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as added by § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

/s/ Greg Flamion
Greg Flamion
Principal Financial Officer
Date: August 8, 2025
