
**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 March 31, 2026

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
(State or other jurisdiction of
incorporation or organization)

84-2336054
(IRS Employer
Identification No.)

6101 Nimitz 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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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: 13,426,610 shares of common stock, \$0.0001 par value, issued and outstanding as of May 8, 2026.

STRAWBERRY FIELDS REIT, INC.

FORM 10-Q
March 31, 2026

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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)

	March 31, 2026 <u>(unaudited)</u>	December 31, 2025
<u>Assets</u>		
Real estate investments, net	\$ 677,911	\$ 687,151
Cash and cash equivalents	36,551	31,812
Restricted cash and equivalents	33,107	34,946
Straight-line rent receivable, net	36,893	34,804
Operating lease right of use lease assets	760	851
Goodwill, other intangible assets and lease rights	66,139	68,352
Deferred financing expenses	5,258	5,358
Notes receivable, net	20,978	20,821
Other assets	1,034	1,130
Total Assets	\$ 878,631	\$ 885,225
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 16,094	\$ 22,369
Bonds, net	333,945	330,612
Note payable	40,428	42,624
Senior debt	413,599	417,262
Operating lease liabilities	760	851
Other liabilities	23,171	20,983
Total Liabilities	\$ 827,997	\$ 834,701
Commitments and Contingencies (Note 8)		
<u>Equity</u>		
Preferred stock, \$.0001 par value, 100,000,000 shares authorized, no shares issued and outstanding	\$ -	\$ -
Common stock, \$.0001 par value, 500,000,000 shares authorized, 13,398,307 and 13,257,425 shares issued and outstanding	1	1
Additional paid in capital	19,131	18,554
Accumulated other comprehensive loss	(8,278)	(7,682)
Retained earnings	1,373	1,233
Total Stockholders' Equity	\$ 12,227	\$ 12,106

Non-controlling interest	\$	38,407	\$	38,418
Total Equity	\$	50,634	\$	50,524
Total Liabilities and Equity	\$	878,631	\$	885,225

See accompanying notes to condensed consolidated financial statements.

STRAWBERRY FIELDS REIT, INC. and SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited)

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

	Three Months Ended	
	March 31,	
	2026	2025
Revenues		
Rental revenues	\$ 39,984	\$ 37,333
Expenses:		
Depreciation	\$ 9,240	\$ 8,682
Amortization	2,213	2,588
General and administrative expenses	2,522	2,057
Property taxes	3,737	3,651
Facility rent expenses	129	149
Total expenses	\$ 17,841	\$ 17,127
Income from operations	22,143	20,206
Interest expense, net	\$ (12,086)	\$ (12,636)
Amortization of deferred financing costs	(201)	(200)
Mortgage insurance premium	(382)	(387)
Total interest expense	\$ (12,669)	\$ (13,223)
Other Income	\$ -	\$ 8
Net income	\$ 9,474	\$ 6,991
Less:		
Net income attributable to non-controlling interest	7,194	5,407
Net income attributable to common stockholders	2,280	1,584
Other comprehensive income:		
(Loss) gain due to foreign currency translation	(2,475)	4,074
Comprehensive income attributable to non-controlling interest	1,879	(3,151)
Comprehensive income	\$ 1,684	\$ 2,507
Net income attributable to common stockholders	2,280	1,584
Basic and diluted income per common share	\$ 0.17	\$ 0.13
Weighted average number of common shares outstanding	13,344,741	12,196,122

See accompanying notes to condensed consolidated financial statements

STRAWBERRY FIELDS REIT, INC. and SUBSIDIARIES

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

	Number of common shares	Common Stock at Par	Additional Paid-in Capital	Accumulated other comprehensive income	Retained Earnings	Non- controlling interest	Total
Balance, December 31, 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	-	-	-	-	-	(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

Balance, December 31, 2025	13,257,425 \$	1 \$	18,554 \$	(7,682) \$	1,233 \$	38,418 \$	50,524
Issuance of common stock in exchange for OP units (unaudited)	100,000	-	-	-	-	-	-
ATM common stock sales (unaudited)	34,207	-	441	-	-	-	441
Employee common stock bonus (unaudited)	6,675	-	88	-	-	-	88
Stock Based Compensation (unaudited)	-	-	-	-	-	1,500	1,500
Dividends (unaudited)	-	-	-	-	(2,140)	-	(2,140)
Non- controlling interest distributions (unaudited)	-	-	-	-	-	(6,778)	(6,778)
Net change in foreign currency translation (unaudited)	-	-	-	(596)	-	(1,879)	(2,475)
Reallocation of non- controlling interest (unaudited)	-	-	48	-	-	(48)	-
Net income (unaudited)	-	-	-	-	2,280	7,194	9,474
Balance, March 31, 2026 (unaudited)	13,398,307 \$	1 \$	19,131 \$	(8,278) \$	1,373 \$	38,407	50,634

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)

	Three Months Ended March 31,	
	2026	2025
<u>Cash flows from operating activities:</u>		
Net income	\$ 9,474	\$ 6,991
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,453	11,270
Amortization of bond issuance costs	684	973
Amortization of deferred financing costs	201	200
Stock based compensation	1,588	72
Decrease (increase) in other assets	96	(285)
Amortization of right of use assets	91	87
Foreign currency translation adjustments	174	(655)
Increase in straight-line rent receivables	(2,089)	(1,457)
(Decrease) increase in accounts payable and accrued liabilities and other liabilities	(4,087)	1,857
Decrease of operating lease liabilities	(91)	(87)
Net cash provided by operating activities	<u>\$ 17,494</u>	<u>\$ 18,966</u>
<u>Cash flow from investing activities:</u>		
Purchase of real estate investments	\$ -	\$ (29,000)
(Increase) decrease in notes receivable	(157)	237
Net cash used in investing activities	<u>\$ (157)</u>	<u>\$ (28,763)</u>
<u>Cash flows from financing activities:</u>		
Proceeds from issuance ATM Sales, net	\$ 441	\$ 2,244
Deferred financing costs	(101)	-
Repayment of senior debt	(3,663)	(3,269)
Repayment of Note Payable	(2,196)	(1,988)
Payment of dividends	(2,140)	(1,714)
Non-controlling interest distributions	(6,778)	(6,020)
OP Unit Retirement	-	(2,026)
Net cash used in financing activities	<u>\$ (14,437)</u>	<u>\$ (12,773)</u>
Increase (decrease) in cash and cash equivalents and restricted cash and equivalents	<u>\$ 2,900</u>	<u>\$ (22,570)</u>
Cash and cash equivalents and restricted cash and equivalents at the beginning of the period	\$ 66,758	\$ 93,656
Cash and cash equivalents and restricted cash and equivalents at the end of the period	<u>\$ 69,658</u>	<u>\$ 71,086</u>

STRAWBERRY FIELDS REIT, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited), continued
(Amounts in \$000's)

	Three Months Ended March 31,	
	2026	2025

Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for interest	\$ 14,949	\$ 16,126
Supplemental schedule of noncash activities:		
Accumulated other comprehensive income:		
Foreign currency translation adjustments	\$ (2,475)	\$ 4,074
Note payable in exchange for acquisition of intangible asset	\$ -	\$ 50,880
Transfer of accrued stock based compensation to equity	\$ 1,615	\$ -

See accompanying notes to condensed consolidated financial statements

STRAWBERRY FIELDS REIT, INC. and SUBSIDIARIES 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 of its assets are owned by subsidiaries of Strawberry Fields Realty, LP, a Delaware limited partnership formed in July 2019 (the “Operating Partnership”). The Company is the general partner of the Operating Partnership (“OP”). The Company owns approximately 24.2% and 24.0% of the outstanding OP units as of March 31, 2026 and December 31, 2025 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 March 31, 2026, the Company’s portfolio consists of 132 healthcare properties and one leased property that is in turn leased to a tenant that operates the facilities. As of December 31, 2025, the company owned 132 properties and leased one property that it in turn subleased to a tenant that operates the facility. The current portfolio properties are located in Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. The Company generates substantially all of its revenues by leasing its properties to tenants under long-term leases primarily on a triple-net basis, under which the tenant pays the cost of real estate taxes, insurance and other operating costs of the facility and capital expenditures. Each healthcare facility located at its properties is managed by a qualified operator with an experienced management team.

Interim Condensed Consolidated Financial Statements

The accompanying unaudited, condensed consolidated financial statements of the Company have been prepared in accordance with 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 March 31, 2026, 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, 2026.

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

NOTE 1. Business (Cont.)

Variable Interest Entity

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

Non-Controlling Interest

A non-controlling interest is defined as the portion of the equity in an entity not attributable, directly or indirectly, to the primary beneficiary. Non-controlling interests are required to be presented as a separate component of equity on a condensed consolidated balance sheet. 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 75.8% and 76.0% of the outstanding OP Units issued by the Operating Partnership as of March 31, 2026 and December 31, 2025, respectively. OP Units are exchangeable 1 to 1 with shares of common stock. 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 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”).

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

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 March 31, 2026 and December 31, 2025, the Company had \$55.8 million and \$53.1 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

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

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

Real Estate Valuation

In determining fair value and the allocation of the purchase price of acquisitions, the Company uses current appraisals or third-party valuations services. The most significant components of these allocations are typically the allocation of fair value to land and buildings and, for certain of its acquisitions, in place leases and other intangible assets. In the case of the fair value of buildings and the allocation of value to land and other intangibles, the estimates of the values of these components will affect the amount of depreciation and amortization the Company records over the estimated

useful life of the property acquired or the remaining lease term. In the case of the value of in place leases, the Company makes best estimates based on the evaluation of the specific characteristics of each tenant's lease. Factors considered include estimates of carrying costs during hypothetical expected lease up periods, market conditions and costs to execute similar leases. These assumptions affect the amount of future revenue that the Company will recognize over the remaining lease term for the acquired in place leases.

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

Revenue Recognition

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

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

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

Rental revenues relating to non-contingent leases that contain specified rental increases over the life of the lease are recognized on the straight-line basis. Recognizing income on a straight-line basis requires us to calculate the total non-contingent rent containing specified rental increases over the life of the lease and to recognize the revenue evenly over that life. This method results in rental income in the early years of a lease being higher than actual cash received, creating a straight-line rent receivable asset included in our accompanying 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.

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

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

Revenue Recognition (Cont.)

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

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

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

Allowance for Credit Losses

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

The Company maintains an allowance for credit losses 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.

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, in order to reduce such possibilities of loss. In addition, the Company provides reserves for potential losses based upon management's periodic review of our portfolio.

On March 31, 2026 and December 31, 2025, the Company held six notes receivable with an outstanding balance of \$21.0 and \$20.8 million, respectively. The notes have maturities ranging from 2026 through 2046, and interest rates ranging from 2% to 10.25%. One of the notes is collateralized by tenants' accounts receivable. All other notes receivable are uncollateralized as of March 31, 2026.

Market Concentration Risk

As of March 31, 2026 and December 31, 2025, the Company owned 132 properties and leased one property. The facilities are located in 10 states, with 20 facilities of its total facilities located in Illinois (which include 4,226 skilled nursing and assisted living beds or 27.1% of the Company's total beds) and 41 of its total facilities in Indiana (which include 3,404 skilled nursing and assisted living beds or 21.8% of the Company's total beds). Since tenant revenue is primarily generated from Medicare and Medicaid, the operations of the Company are indirectly subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to the Centers for Medicare & Medicaid Services, and the Department of Health and Aging in all states in which the Company operates. Such administrative directives, rules and regulations, including budgetary reimbursement funding, are subject to change by an act of Congress, the passage of laws by the state regulators or an administrative change mandated by one of the executive branch agencies. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change.

Debt and Capital Raising Issuance Costs

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

Penalties incurred to extinguish debt and any remaining unamortized debt issuance costs, discounts and premiums are recognized as income or expense in the 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.

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

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 March 31, 2026 and 2025, there were 42,362,059 and 42,999,908 OP units outstanding which were potentially dilutive securities. During the three month periods ended March 31, 2026 and 2025, 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 loss, 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, 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.

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

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

Real Estate Investments – Held for Sale

On March 31, 2026 and December 31, 2025, the Company had one property included in real estate investments which was held for sale and carried at the lower of their net book value or fair value on a non-recurring basis on the 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.

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

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

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

NOTE 3. Restricted Cash and Equivalents

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

	March 31, 2026	December 31, 2025
	(amounts in \$000's)	
Escrow with Trustee	\$ 2,188	\$ 2,170
MIP escrow accounts	972	790
Other escrow and debt deposits	708	270
Property tax and insurance escrow	3,592	6,815
Interest and expense reserve bonds escrow	12,797	12,696
HUD replacement reserves	12,850	12,205
Total restricted cash and equivalents	\$ 33,107	\$ 34,946

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 - Bonds, Note Payable and Other Debt.

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

NOTE 4. Real Estate Investments, net

There were no acquisition of properties during the three month period ending March 31, 2026.

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, Strawberry Fields entered into a 5 year note payable with the parent of the Landmark tenant for \$50.9 million dollars, included in bonds, notes payable and other debt 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 for \$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.

Real estate investments consist of the following:

	Estimated Useful Lives (Years)	March 31, 2026	December 31, 2025
(Amounts in \$000's)			
Buildings and improvements	7-45	\$ 773,555	\$ 773,555
Equipment and personal property	2-18	123,072	123,072
Land	-	72,586	72,586
		969,213	969,213
Less: accumulated depreciation		(291,302)	(282,062)
Real estate investments, net		<u>\$ 677,911</u>	<u>\$ 687,151</u>

For the three-month periods ended March 31, 2026 and March 31, 2025, total depreciation expense was \$9.2 million and \$8.7 million, respectively.

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

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

NOTE 5. Intangible Assets and Goodwill

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

	Goodwill including CON Licenses	Lease Rights	Total
(Amounts in \$000's)			
<u>Balances, December 31, 2024</u>			
Gross	\$ 1,323	78,577	79,900
Accumulated amortization	-	(51,953)	(51,953)
Net carrying amount	<u>1,323</u>	<u>26,624</u>	<u>27,947</u>
Acquisition of lease rights	-	50,880	50,880
Amortization	-	(2,588)	(2,588)
<u>Balances, March 31, 2025</u>			
Gross	1,323	129,457	130,780
Accumulated amortization	-	(54,541)	(54,541)
Net carrying amount	<u>\$ 1,323</u>	<u>74,916</u>	<u>76,239</u>

Balances, December 31, 2025

Gross	\$	1,323	129,457	130,780
Accumulated amortization		-	(62,428)	(62,428)
Net carrying amount		<u>1,323</u>	<u>67,029</u>	<u>68,352</u>
Amortization		-	(2,213)	(2,213)
<u>Balances, March 31, 2026</u>				
Gross		1,323	129,457	130,780
Accumulated amortization		-	(64,641)	(64,641)
Net carrying amount	\$	<u>1,323</u>	<u>64,816</u>	<u>66,139</u>

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)
2026 (nine months)	5,983
2027	7,949
2028	7,564
2029	7,488
2030	7,488
Thereafter	28,344
Total	<u>\$ 64,816</u>

**STRAWBERRY FIELDS REIT, INC. and SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 6. Leases

As of March 31, 2026, and December 31, 2025, the Company had leased 133 properties, to tenant/operators in the States of Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. As of March 31, 2026, and December 31, 2025, 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:

	March 31, 2026	December 31, 2025
Cumulative number of properties	133	133
Cumulative number of operational beds	15,602	15,602

The following table provides additional information regarding the properties/facilities leased by the Company as of March 31, 2026:

State	Number of Operational Beds/Units	Owned by Company	Leased by Company	Total

Illinois	4,226	20	-	20
Indiana	3,404	35	1	36
Ohio	238	4	-	4
Tennessee	1,412	15	-	15
Kentucky	1,163	10	-	10
Arkansas	1,568	13	-	13
Oklahoma	477	5	-	5
Texas	839	6	-	6
Missouri	1,921	18	-	18
Kansas	354	6	-	6
Total properties	<u>15,602</u>	<u>132</u>	<u>1</u>	<u>133</u>

Facility Type

Skilled Nursing Facilities	15,195	130	1	131
Long-Term Acute Care Hospitals	63	2	-	2
Assisted Living Facility	344	10	-	10
Total facilities	<u>15,602</u>	<u>142</u>	<u>1</u>	<u>143</u>

As of March 31, 2026, total future minimum rental revenues for the Company's tenants are as follows :

<u>Year</u>	<u>Amount</u>
<u>(Amounts in \$000s)</u>	
2026 (nine months)	101,097
2027	137,720
2028	135,913
2029	130,132
2030	131,164
Thereafter	391,594
Total	<u>\$ 1,027,620</u>

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

NOTE 6. Leases (Cont.)

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

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
Number of facilities leased and subleased to third parties	1	1
Number of operational beds	68	68

Right of use assets and operating lease liabilities are disclosed as separate line items in the 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):

	Three Month Period ended March 31,	
	2026	2025
Operating lease cost	\$ 99	\$ 99

	March 31, 2026	December 31, 2025
Operating lease right of use assets	\$ 760	\$ 851
Operating lease liabilities	\$ 760	\$ 851
Weighted average remaining lease term-operating leases (in years)	2.0	2.2
Weighted average discount rate	4.1%	4.1%

Future minimum operating lease payments under non-cancellable leases as of March 31, 2026, reconciled to the Company's operating lease liability presented on the condensed consolidated balance sheets are:

	(Amounts in \$000's)
2026 (nine months)	297
2027	397
2028	99
Total	\$ 793
Less Interest	(33)
Total operating lease liability	\$ 760

Other Properties leased by the Company

The Company, through one of its subsidiaries, leases its office spaces from a related party. Rental expenses under the leases for the three-month periods ended March 31, 2026 and 2025, were \$56,000 and \$55,000, respectively.

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

NOTE 7. Bonds, Note Payable and Other Debt

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

	Weighted Interest Rate at March 31,	March 31,	December 31,
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	<u>2026</u>	<u>2026</u>	<u>2025</u>
		<u>(Amounts in \$'000s)</u>	
HUD guaranteed loans	3.26%	\$ 252,028	\$ 254,085
Bank loans	6.98%	161,571	163,177
Series A, B, C and D Bonds	7.04%	337,405	334,766
Note Payable	10.00%	40,428	42,624
Gross Bonds, Note Payable, and other Debt		<u>\$ 791,432</u>	<u>\$ 794,652</u>
Debt issuance costs		(3,460)	(4,154)
Net Bonds, Note Payable, and other Debt		<u>\$ 787,972</u>	<u>\$ 790,498</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2026 (nine months)	254,849
2027	83,322
2028	63,447
2029	170,734
2030	9,483
Thereafter	209,597
Total	<u>\$ 791,432</u>

Debt Covenant Compliance

As of March 31, 2026 and December 31, 2025, the Company was party to approximately 45 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 March 31, 2026, the Company was in compliance with all financial and administrative covenants.

Senior Debt—Mortgage Loans Guaranteed by HUD

As of March 31, 2026, and December 31, 2025, the Company had HUD guaranteed mortgage loans from financial institutions of \$252 million and \$254 million, respectively. These loans were secured by first mortgage liens on the applicable properties, assignments of rent and second liens on the operator's assets. The Company pays HUD annual mortgage insurance premiums of 0.65% of the loan balances in addition to the interest rate. As a result, the overall interest rate paid by the Company with respect to the HUD guaranteed loans as of March 31, 2026 and December 31, 2025 was 3.91%, respectively (including the mortgage insurance premium).

Senior Debt – Commercial Bank Mortgage Loan Facility

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 March 31, 2026, the rate was 7.18%). On June 30, 2025, the company paid down \$30.0 million dollars of the outstanding loan. As of March

31, 2026 and December 31, 2025, the total outstanding balance was \$60.2 million and \$61.2 million, respectively. This loan is collateralized by 21 properties owned by the Company. The loan proceeds were used to repay the Series B Bonds and prepay certain bank loans not secured by HUD guaranteed mortgages.

On August 25, 2023, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$66 million. The facility provides for monthly payments of interest only for the first 12 months and principal and interest thereafter based on a 20-year amortization with a balloon payment due in August 2028. The rate is based on the one-month SOFR plus a margin of 3.5% and a floor of 4% (as of March 31, 2026, the rate was 7.18%). On December 17, 2024, the company paid down \$24 million dollars of the outstanding loan. As of March 31, 2026, and December 31, 2025, total outstanding balance was \$40.0 million and \$40.3 million, respectively. This loan is collateralized by 19 properties owned by the Company.

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

On December 19, 2024, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$59 million. The facility provides for monthly payments of interest and payment of principal and interest that began in 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 March 31, 2026, the rate was 6.68%). As of March 31, 2026, and December 31, 2025, total outstanding principal amount was \$58.6 and \$59.0 million, respectively. This loan is collateralized by 8 properties owned by the Company. The loan proceeds were used to acquire the Missouri facilities.

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

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

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

The two credit facilities that closed in March 21, 2022 and August 25, 2023 are subject to financial covenants which consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.20 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$20 million. As of March 31, 2026, the Company was in compliance with the loan covenants.

The credit facility closed on December 19, 2024 is subject to financial covenants which consist of (i) a covenant that the ratio of the Company's indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company's net operating income to its debt service before dividend distribution is at least 1.25 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company's net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company's GAAP equity is at least \$30 million. As of March 31, 2026, the Company was in compliance with the loan covenants.

Series A Bonds

In August 2024, Strawberry Fields, Inc completed, directly, an initial offering on the Tel Aviv Stock Exchange ("TASE") of Series A Bonds with a par value of NIS 145.6 million (\$37.1 million). The series A Bonds were issued

at par. Offering and issuance costs of approximately \$1.0 million were incurred at closing. In December 2024, the 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 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, NIS 47.3 million Series D Bonds (\$12.7 million) were exchanged for NIS 50.6 million Series A Bonds (\$13.6 million).

As of March 31, 2026 and December 31, 2025 the outstanding balance of the Series A Bonds was \$95.5 million and \$94.7 million, respectively. Increases in the outstanding balance is due to a change in the exchange rate.

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

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

Interest

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

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

Payment Terms

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

Financial Covenants

Until the date of full repayment of the Series A Bonds, the Company must comply with certain financial covenants described below. The application of the covenants is based on the 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

In the event that:

- 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 \$174 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.

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. On December 16, 2025, Strawberry Fields REIT issued additional Series B Bonds with a par value of NIS 30.0 million (gross). The bonds were issued at 99.21 and raised a net amount of NIS 29.4 million (\$9.2 million), offering and issuance costs of approximately \$.02 million incurred at closing. As of March 31, 2026, and December 31, 2025, the outstanding balance of the Series B Bonds was \$108.1 million and \$107.2 million, respectively. Increases in the outstanding balance is due to a change in the exchange rate.

Interest

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

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

Payment Terms

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

Financial Covenants

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

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

Dividend Restrictions

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

Increase in Interest Rate

In the event that:

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

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

Security

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

Additional Bonds

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

Redemption Provisions

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

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

Change of Control

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

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

Series C Bonds

In July 2021, the BVI Company completed an initial offering on the Tel Aviv Stock Exchange (“TASE”) of Series C Bonds with a par value of NIS 208.0 million (\$64.7 million). These Series C Bonds were issued at par. Offering and issuance costs of approximately \$1.7 million were incurred at closing. In February 2023, the BVI Company issued an additional NIS 40.0 million (\$11.3 million) in Series C Bonds, offering and issuance costs of approximately \$0.9 million were incurred at closing. In October 2024, the BVI company issued an additional NIS 62.0 million (\$16.6 million) in Series C Bonds, offering and issuance costs of approximately \$0.8 million were incurred at closing. At March 31, 2026 and December 31, 2025 the total Series C Bond outstanding was \$78.3 million and \$77.7 million, respectively. Increases in the outstanding balance is due to a change in the exchange rate.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. Bonds, Note Payable and Other 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 iA+.

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%.

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

NOTE 7. Bonds, Note Payable and Other 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 March 31, 2026, 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.

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

NOTE 7. Bonds, Note Payable and Other 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 65%. In addition, starting from July 1, 2023, if the fair market value of the collateral is below 55%, the BVI Company can request to release collateral so the fair market value will increase to 55%.

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 \$199 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 of 3.0%.

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.

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

NOTE 7. Bonds, Note Payable and Other 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, NIS 47.3 million Series D Bonds (\$12.7 million) were exchanged for NIS 50.6 million Series A Bonds (\$13.6 million).

As of March 31, 2026 and December 31, 2025, the outstanding balance of the Series D Bonds were \$55.5 million and \$55.1 million, respectively. Increases in the outstanding balance is due to a change in the exchange rate.

Interest

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

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

Payment Terms

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

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

NOTE 7. Bonds, Note Payable and Other 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 March 31, 2026.

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.

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

NOTE 7. Bonds, Note Payable and Other 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 \$142 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 of 3.0%.

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.

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

NOTE 7. Bonds, Note Payable and Other 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 Payable

On January 1, 2025, the Company created a new Kentucky Master Lease with a new third-party operator. This master lease was created from 10 properties that were formally in the Landmark Master Lease. In order to release the properties from the Landmark Master Lease, the Company entered into a \$50.9 million dollar note payable with the

parent of the Landmark operator. The note is for equal monthly payments of \$1.1 million dollars for 5 years and bears interest of 10.0%. As of March 31, 2026, the outstanding balance of the note payable was \$40.4 million.

NOTE 8. Commitments and Contingencies

Commitments

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

Contingencies

The Company's operating results and financial condition are dependent on the ability of its tenants to meet their lease obligations to us.

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.

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

NOTE 8. Commitments and Contingencies (Cont.)

Contingencies (Cont.)

In April 2024, they filed yet another complaint in Arkansas, and this time dealing with the properties located in Arkansas, Kentucky and Massachusetts. There has been some motion practice where the Court dismissed some of the Plaintiff's remedies and claims.

In January 2021, Joseph Schwartz, Rosie Schwartz and certain companies owned by them filed a third complaint in Illinois state court in Cook County, Illinois, which has nearly identical claims to the initial federal case, but was limited

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

In each of these complaints, the plaintiffs asserted claims for fraud, breach of contract and rescission arising out of the defendants' alleged failure to perform certain post-closing obligations under the purchase contracts. We had potential direct exposure for these claims because the subsidiaries of the Predecessor Company that were named as defendants are now subsidiaries of the Operating Partnership. Additionally, the Operating Partnership was potentially liable for the claims made against Moishe Gubin, Michael Blisko and the Predecessor Company pursuant to the provisions of the contribution agreement, under which the Operating Partnership assumed all the liabilities of the Predecessor Company and agreed to indemnify the Predecessor Company and its affiliates for such liabilities. As described above, the federal action was dismissed for lack of subject matter jurisdiction, the first Arkansas action was dismissed without prejudice, the Illinois state court action has been dismissed, and the second Arkansas action (filed April 2024) was dismissed with prejudice on March 10, 2026. The Plaintiffs have appealed the Arkansas trial court decision.

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

The Predecessor Company has instituted 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 have been authorized to be granted under the Plan. On May 30, 2024, shareholders approved an amendment to increase the number of shares authorized to be granted under the plan to 1,000,000 shares. As of March 31, 2026, 961,975 shares were available for grant. On January 31, 2025, 6,450 shares were used from the incentive plan as an employee bonus. On January 16, 2026, 6,675 shares were used from the incentive plan as an employee bonus.

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

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 March 31, 2026, the Company had purchased 319,584 shares in aggregate of common stock at an average price per share of \$9.93 and an aggregate repurchase price of \$3.2 million.

As of March 31, 2026, there were a total of 13,398,307 shares of common stock issued and outstanding. The outstanding shares were held by a total of approximately 5,600 stockholders of record, including certain affiliates of the Company who held 1,086,883 of these shares.

As of March 31, 2026, there were 42,362,059 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 42,362,059 shares of common stock that may be issued, at the Company's option, upon redemption of the OP units outstanding as of March 31, 2026.

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 March 31, 2026 and December 31, 2025, 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 64 tenants out of 144 who were related parties as of March 31, 2026 and 66 tenants out of 144 who were related parties as of December 31, 2025. Most of the lease agreements are triple net leases.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2026, in these states, the Company leased 41, 15, and 8 facilities, respectively to related parties.

Balances with Related Parties

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
	<u>(amounts in \$000s)</u>	
Straight-line rent receivable	\$ 17,136	\$ 16,324
Tenant portion of replacement reserve	\$ 9,474	\$ 8,759
Notes receivable	\$ 5,823	\$ 5,823

Payments from and to Related Parties

	<u>Three Months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
	<u>(amounts in \$000s)</u>	
Rental income received from related parties	\$ 17,549	17,445

Other Related Party Relationships

On March 31, 2026 and December 31, 2025, the Company had approximately \$0.3 million and \$0.8 million, respectively, on deposit with OptimumBank. Mr. Gubin is the Chairman of the Board and CEO 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.

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

NOTE 13. Fair Value of Financial Instruments

The Company is required to disclose the fair value of financial instruments for which it is practicable to estimate that value. The fair value of short-term financial instruments such as cash and cash equivalents, restricted cash, accounts payable and accrued expenses approximate their carrying value on the 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:

<i>(amounts in \$000s)</i>	Level	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bonds, note payable, and other debt	3	\$ 791,432	\$ 795,750	\$ 794,652	\$ 802,800
Notes receivable	3	\$ 20,978	\$ 20,235	\$ 20,821	\$ 20,462

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

NOTE 14. Subsequent Events

On April 20, 2026, the Company entered into an asset purchase agreement to acquire a healthcare property with 99 licensed SNF beds and 60 hospital beds near Marshall, Missouri. The acquisition is expected to be approximately \$8.6 million. The proposed acquisition is subject to approval by the applicable bankruptcy court and satisfaction of customary closing conditions. The Company expects to close on the property in the second quarter of 2026.

NOTE 15. Financing Income (Expenses), Net

	Three months ended	
	March 31,	
	2026	2025
	(amounts in \$000s)	
Financing expenses		
Interest expenses with respect to bonds	\$ (6,497)	\$ (4,482)
Interest expenses on loans from banks and others	(6,042)	(8,402)
Interest expenses with respect to leases	(8)	(12)
Total financing expenses	\$ (12,547)	\$ (12,896)
Financing income	\$ 461	\$ 260
Interest Expense, Net	\$ (12,086)	\$ (12,636)

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, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas, and the real estate and healthcare industries in general;
- availability and terms of capital and financing;
- the impact of existing and future healthcare reform legislation on our tenants, borrowers and guarantors;
- adverse trends in the healthcare industry, including, but not limited to, changes relating to reimbursements available to our tenants by government or private payors;
- competition in the long-term healthcare industry and shifts in the perception of various types of long-term care facilities, including skilled nursing facilities;

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (continued)**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 133 healthcare properties with an aggregate of 15,602 licensed beds. We hold fee title to 132 of these properties and hold one property under long-term leases. These properties are located in Arkansas, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Tennessee and Texas. We generate substantially all our revenues by leasing our properties to tenants under long-term leases primarily on a triple-net basis, under which the tenant pays the cost of real estate taxes, insurance and other operating costs of the facility and capital expenditures. Each healthcare facility located at our properties is managed by a qualified operator with an experienced management team.

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

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 March 31, 2026, the aggregate annualized average base rent under the leases for our properties was approximately \$142.7 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 our assets and conduct substantially all of our business through the Operating Partnership. We are the general partner of the Operating Partnership and as of the date of the report own approximately 24.2% of the outstanding OP units.

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 64 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. (continued)

Results of Operations

Operating Results

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025:

<i>(amounts in thousands except per share data)</i>	Three Months Ended		Increase / (Decrease)	Percentage Difference
	2026	2025		
Revenues:				
Rental revenues	\$ 39,984	\$ 37,333	\$ 2,651	7.1%
Expenses:				
Depreciation	9,240	8,682	558	6.4%
Amortization	2,213	2,588	(375)	(14.5)%
General and administrative expenses	2,522	2,057	465	22.6%
Property and other taxes	3,737	3,651	86	2.4%
Facility rent expenses	129	149	(20)	(13.4)%

Total Expenses	17,841	17,127	714	4.2%
Interest expense, net	12,086	12,636	(550)	(4.4)%
Amortization of deferred financing costs	201	200	1	0.5%
Mortgage insurance premium	382	387	(5)	(1.3)%
Total Interest Expenses	12,669	13,223	(554)	(4.2)%
Other Income	-	8	(8)	(100.0)%
Net income	9,474	6,991	2,483	35.5%
Net income attributable to non-controlling interest	7,194	5,407	1,787	33.0%
Net income attributable to common stockholders	2,280	1,584	696	43.9%
Basic and diluted income per common share	\$ 0.17	\$ 0.13	\$ 0.04	31.5%

Rental revenues: The increase in rental revenues of \$2.7 million or 7.1%, compared to the March 31, 2025, is primarily due to rental income received from the new acquisitions to the Texas and Missouri master leases.

Depreciation and Amortization: The increase in depreciation of \$0.6 million or 6.4% compared to March 31, 2025 is related to depreciation on the 20 properties purchased in 2025. The increase was offset by assets that fully depreciated in 2025. The \$0.4 million or (14.5)% decrease in amortization is due to intangible assets being fully amortized.

General and administrative: March 31, 2026 expenses increased by \$0.4 million or 22.6% compared to March 31, 2025. The increase is driven by higher professional fees, corporate salaries and other operating expenses.

Interest expense, net: The March 31, 2026 decrease in interest expense of \$0.6 million or (4)% compared to March 31, 2025, is primarily related to lower interest payments on our commercial loans and note payable along with higher interest income.

Net Income: The increase in net income from \$6.9 million during the quarter ended March 31, 2025 to \$9.5 million for the quarter ended March 31, 2026 is primarily due to increases in rental revenues by the new acquisitions from the last year.

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

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 March 31, 2026, we had cash and cash equivalents and restricted cash and equivalents of \$69.7 million. We also had the ability to offer an additional Series A Bonds from the current outstanding of \$95.5 million up to \$173.8 million. Series C Bonds from the current outstanding of \$78.3 million up to \$199.1 million and the ability to offer additional Series D Bonds from the current outstanding of \$55.5 million up to \$142.2 million. 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.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. (continued)

Liquidity and Capital Resources (continued)

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 March 31, 2026, on a condensed consolidated basis, we had total indebtedness of approximately \$791.4 million, consisting of \$252.0 million in HUD guaranteed debt, \$337.4 million in net Series A, Series B, Series C Bonds and Series D bonds outstanding, \$161.6 million in commercial mortgages loans and \$40.4 million note payable. Under our Bonds and our commercial mortgages loans, we are subject to continuing covenants. 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 balloon payment obligations consisting of three payments of \$95.5 million, \$78.3 million, and \$55.5 million, due under the Series A Bonds, Series C Bonds, and Series D bonds in 2026, and \$95.1 million due under Bond B in 2029, respectively, and payments of \$56.1 million, \$36.6 million and \$52.3 million due under our three commercial bank term loans due in 2027, 2028, and 2029, respectively. We may also obtain additional financing that contains balloon payment obligations. These types of obligations may materially adversely affect us, including our cash flows, financial condition and ability to make distributions.

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

Cash Flows

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

	Three Months Ended	
	March 31,	
	2026	2025
<i>(amounts in thousands)</i>		
Net cash provided by operating activities	\$ 17,494	\$ 18,966
Net cash used in investing activities	(157)	(28,763)
Net cash used in financing activities	(14,437)	(12,773)

Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	2,900	(22,570)
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period	66,758	93,656
Cash and cash equivalents and restricted cash and cash equivalents, end of period	<u>\$ 69,658</u>	<u>\$ 71,086</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. (continued)

Cash Flows (continued)

Net cash provided by operating activities for the three months ended March 31, 2026, was \$17.4 million. This is a \$1.6 million change from March 31, 2025, that is comprised of net earnings of \$9.4 million, a \$2.5 million change. Offset by a decrease in accounts payable, accrued liabilities and other liabilities of \$4.1 million. Net cash provided by operating activities for the three months ended March 31, 2025, was \$19 million. It was comprised of net earnings of \$7.0 million and depreciation and amortization of \$11.3 million and an increase in accounts payable and accrued liabilities and other liabilities of \$1.9 million. These amounts were offset by an increase in straight-line rent of \$1.5 million.

Cash used for investing activities for the three months ended March 31, 2026 was (\$0.1) million. There were no purchases in real estate investments but a slight increase in notes receivable. Cash used for investing activities for the three months ended March 31, 2025 was \$28.7 million. This consists of \$29.0 million in real estate investments offset by a slight decrease in notes receivable.

Cash flows used for financing activities for the three months ended March 31, 2026 was \$14.3 million. This reflects a change of \$1.5 million from the same period in 2025. It is caused from \$1.8 million less of ATM proceeds, higher non-controlling interest distributions of \$0.7 million, higher senior debt and note payable payments of \$0.6 million, and a higher dividend payments of \$0.3 million. This is offset by a decrease in OP unit retirement of \$2.0 million. Cash flows used for financing activities for the three months ended March 31, 2025 was \$12.8 million. The balance includes funds for \$6.0 million in non-controlling interest distributions, \$3.3 million in repayment of senior debt, \$2.0 million for the repayment of the note payable, \$2.0 million for OP unit retirements and \$1.7 million in dividend payments on common stock. These cash outflows were offset by \$2.2 million in ATM proceeds received in the quarter.

Indebtedness

Mortgage Loans Guaranteed by HUD

As of March 31, 2026, we had non-recourse mortgage loans of \$252.0 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 March 31, 2026, was 3.91% per annum (including the mortgage insurance payments). The loans have an average maturity of 21 years.

Commercial Bank Term Loans

On March 21, 2022, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$105 million. The facility provides for monthly payments of principal and interest based on a 20-year amortization with a balloon payment due in March 2027. The rate is based on the one-month Secured Overnight Financing Rate (“SOFR”) plus a margin of 3.5% and a floor 4% (as of the December 31, 2025 the rate was 7.18%). As of March 31, 2026, total outstanding principal amount was \$60.2 million. This loan is collateralized by 21 properties owned by the Company. The loan proceeds were used to repay the Series B Bonds and prepay commercial loans not secured by HUD guarantees. The Company recognized a foreign currency transaction loss of approximately \$10.1 million in connection with the repayment of the Series B Bonds during the year ended December 31, 2022.

On August 25, 2023, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$66 million. The facility provides for monthly payments of interest and payment of principal and interest thereafter, began in August 2024 based on a 20-year amortization with a balloon payment due in August 2028. The rate is based on the one-month SOFR plus a margin of 3.5% and a floor of 4% (as of the March 31, 2026, the rate was 7.18%). As of March 31, 2026, total outstanding principal amount was \$40.0 million. This loan is collateralized by 19 properties owned by the Company. The loan proceeds were used to acquire the Indiana facilities.

On December 19, 2024, the Company closed a mortgage loan facility with a commercial bank pursuant to which the Company borrowed approximately \$59 million. The facility provides for monthly payments of interest and payment of principal will start on January 2026 based on a 20-year amortization with a balloon payment due in December 2029. The rate and interest is based on the one-month Secured Overnight Financing Rate SOFR plus a margin of 3.0% and a floor of 4% (as of March 31, 2026, the rate was 6.68%). As of March 31, 2026, total outstanding principal amount was \$58.6 million. This loan is collateralized by 8 properties owned by the Company. The loan proceeds were used to acquire the Missouri facilities.

The two credit facilities closed in March 21, 2022 and August 25, 2023 are subject to financial covenants which are consist of (i) a covenant that the ratio of the Company’s indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company’s net operating income to its debt service before dividend distribution is at least 1.20 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company’s net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company’s GAAP equity is at least \$20,000,000. As of March 31, 2026, the Company was in compliance with the loan covenants.

The credit facility closed on December 19, 2024 is subject to financial covenants which consist of (i) a covenant that the ratio of the Company’s indebtedness to its EBITDA cannot exceed 8.0 to 1, (ii) a covenant that the ratio of the Company’s net operating income to its debt service before dividend distribution is at least 1.25 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement (iii) a covenant that the ratio of the Company’s net operating income to its debt service after dividend distribution is at least 1.05 to 1.00 for each fiscal quarter as measured pursuant to the terms of the loan agreement, and (iii) a covenant that the Company’s GAAP equity is at least \$30,000,000. As of March 31, 2026, the Company was in compliance with the loan covenants.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. (continued)

Indebtedness (continued)

Outstanding Bond Debt

As of March 31, 2026, the Company had outstanding Series A, Series B, Series C Bonds and Series D Bonds.

Series A Bonds

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

Exchange of Series D Bonds for Series A Bonds

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

As of March 31, 2026, the outstanding balance of Series A Bonds was NIS 302.2 million (\$95.5 million)

The Series A Bonds are traded on the TASE

Series B Bonds

In June 2025, Strawberry Fields, Inc completed, directly, an initial offering on the Tel Aviv Stock Exchange (“TASE”) of Series B Bonds with a par value of NIS 312 million (\$89.5 million). The series B Bonds were issued at par. Offering and issuance costs of approximately \$2.5 million were incurred at closing. In December 2025, the Company issued an additional NIS 30.0 million (\$9.4 million) in Series B Bonds. At March 31, 2026, the outstanding balance of Series B Bonds was \$108.1 million.

Series C Bonds

In July 2021, the BVI Company completed an initial offering of Series C Bonds with a par value of NIS 208.0 million (\$64.7 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 March 31, 2026, the outstanding principal amount of the Series C Bonds was NIS 247.9 million (\$78.3 million).

The Series C Bonds are traded on the TASE.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. (continued)

Series D Bonds

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

Exchange of Series D Bonds for Series A Bonds

In September 2024 the Company made an exchange tender offer of outstanding Series D Bonds for Series A Bonds. The interest rate on Series D Bonds is 9.1% per annum. The exchange offer rate was 1.069964 Series A Bonds

per Series D Bonds. As a result of this offer, 47.3 million NIS Series D Bonds (\$12.7 million) were exchanged for 50.6 million NIS Series A Bonds (\$13.6 million).

As of March 31, 2026, the Series D Bonds had an outstanding principal balance of approximately NIS 175.8 (\$55.5 million).

Summary of fixed and variable loans

	March 31, 2026	December 31, 2025
	(Amounts in \$000s)	
Fixed rate loans	\$ 632,661	\$ 634,168
Variable rate loans	158,771	160,484
Gross Note Payable and other Debt	<u>\$ 791,432</u>	<u>\$ 794,652</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. (continued)

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 three months ended March 31, 2026 and 2025, to net income the most directly comparable GAAP financial measure, for the same periods:

FFO and AFFO

	Three Months Ended March 31,	
	2026	2025
<i>(dollars in \$000s)</i>		
Net income	\$ 9,474	\$ 6,991
Depreciation and amortization	11,453	11,270
Funds from Operations	20,927	18,261
<i>FFO per weighted average common share and OP Units</i>	0.38	0.33
Adjustments to FFO:		
Straight-line rent	(2,089)	(1,457)
Funds from Operations, as Adjusted	\$ 18,838	\$ 16,804
<i>Adjusted FFO per weighted average common share and OP Units</i>	0.34	0.30

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

Subsequent Events

On April 20, 2026, the Company entered into an asset purchase agreement to acquire a healthcare property with 99 licensed SNF beds and 60 hospital beds near Marshall, Missouri. The acquisition is expected to be approximately \$8.6 million. The proposed acquisition is subject to approval by the applicable bankruptcy court and satisfaction of customary closing conditions. The Company expects to close on the property in the second quarter of 2026.

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 2025 Annual Report on 10-K filed on March 19, 2026, 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 three months ended March 31, 2026.

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 March 31, 2026, we had \$95.5 million in Series A Bonds which bear interest at a fixed rate of 6.97%, \$108.1 million in Series B Bonds which bear interest at a fixed rate of 6.70%, \$78.3 million outstanding under our Series C Bonds, which bear interest at a fixed rate of 5.7% per annum, \$55.5 million outstanding under our Series D Bonds, which bear interest at a fixed rate of 9.1% per annum, and \$413.6 million in senior debt notes, of which \$158.8 million (20.1% of total debt) bear interest at variable rate equal to one month SOFR plus a margin. At March 31, 2026, one month SOFR was 3.68%. Assuming no increase in the amount of our variable interest rate debt, if one-month SOFR increased 100 basis points, our annual cash flow would decrease by approximately \$1.6 million. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we may borrow at fixed rates or variable rates. We also may enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument.

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

Item 3. Quantitative and Qualitative Disclosures about Market Risks (continued)

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 March 31, 2026, 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 March 31, 2026.

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 March 31, 2026, 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 five properties located in Massachusetts. The complaint was dismissed by the Court in 2020 on jurisdictional grounds. The plaintiffs did not file an appeal with respect to this action, and the time for an appeal has expired.

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

In April 2024, they filed yet another complaint in Arkansas, and this time dealing with the properties located in Arkansas, Kentucky and Massachusetts. There has been some motion practice where the Court dismissed some of the Plaintiff's remedies and claims.

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

In each of these complaints, the plaintiffs asserted claims for fraud, breach of contract and rescission arising out of the defendants' alleged failure to perform certain post-closing obligations under the purchase contracts. We had potential direct exposure for these claims because the subsidiaries of the Predecessor Company that were named as defendants are now subsidiaries of the Operating Partnership. Additionally, the Operating Partnership was potentially liable for the claims made against Moishe Gubin, Michael Blisko and the Predecessor Company pursuant to the provisions of

the contribution agreement, under which the Operating Partnership assumed all the liabilities of the Predecessor Company and agreed to indemnify the Predecessor Company and its affiliates for such liabilities. As described above, the federal action was dismissed for lack of subject matter jurisdiction, the first Arkansas action was dismissed without prejudice, the Illinois state court action has been dismissed, and the second Arkansas action (filed April 2024) was dismissed with prejudice on March 10, 2026. The Plaintiffs have appealed the Arkansas trial court decision.

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

The Predecessor Company has instituted 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.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

No redemptions occurred in the first quarter of 2026.

Item 6. Exhibits

Exhibit No.

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|------|---|
| 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 13, 2025. |
| 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 March 31, 2025, 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

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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: May 8, 2026

By: /s/ Moische Gubin

Name: Moische Gubin

Title: Chief Executive Officer and Chairman

Date: May 8, 2026

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: May 8, 2026

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: May 8, 2026

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 months ended March 31, 2026 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: May 8, 2026

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 months ended March 31, 2026, 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: May 8, 2026
