

# STARLIGHT U.S. RESIDENTIAL (MULTI-FAMILY) INVESTMENT LP ANNOUNCES Q4-2025 OPERATING RESULTS

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**Toronto – March 24, 2026** – Starlight U.S. Residential (Multi-Family) Investment LP (TSXV: SURF.UN) (the “SURF LP”) announced today its results of operations and financial condition for the three months ended December 31, 2025 (“Q4-2025”) and year ended December 31, 2025 (“YTD-2025”). Certain comparative figures are included for SURF LP’s financial and operational performance as at December 31, 2024, for the three months ended December 31, 2024 (“Q4-2024”) and for the year ended December 31, 2024 (“YTD-2024”).

All amounts in this press release are in thousands of United States (“U.S.”) dollars except for average monthly rent (“AMR”)<sup>1</sup>, or unless otherwise stated. All references to C\$ are to Canadian dollars.

*“SURF LP continues to own a high-quality, well diversified portfolio of multi-family communities,” commented Evan Kirsh, SURF LP’s President. “The focus continues to be on maximizing the net operating income at SURF LP’s remaining properties while navigating the current challenging capital markets environment and focusing on managing SURF LP’s liquidity.”*

## Q4-2025 HIGHLIGHTS

- Revenue from property operations for Q4-2025 was \$5,494 (Q4-2024 - \$9,741) representing a decrease of 43.6% in revenue due to SURF LP completing the dispositions of Lyric Apartments (“Lyric”), Eight at East and Emerson at Buda (“Emerson”) in Q2-2025, Q3-2025 and Q4-2025, respectively (“Primary Variance Driver”) as well as a decrease in same property revenue of 2.7% primarily as a result of decreases in AMR due to SURF LP facing heavy competition from new supply and aggressive pricing to lease new properties in Phoenix.
- Net operating income (“NOI”)<sup>1</sup> for Q4-2025 was \$3,754 (Q4-2024 - \$6,198), representing a decrease of 39.4% in NOI primarily due to the Primary Variance Driver and reduction in same property NOI of 3.2%. Q4-2025 normalized same property NOI excluding the impact of the tax reassessments and Phoenix property described above would have been consistent with Q4-2024.
- SURF LP reported a net loss and comprehensive loss attributable to Partners (as defined below) for Q4-2025 of \$1,647 (Q4-2024 - \$41,306), primarily due to higher fair value loss on investment properties during Q4-2024 due to the expansion of capitalization rates used to value SURF LP’s investment properties, partially offset by lower NOI during Q4-2025 due to Primary Variance Driver.
- SURF LP completed three in-suite light value-add upgrades at the multi-family properties (“Properties”) during Q4-2025, which generated an average rental premium of \$177 and an average return on cost of approximately 21.5%.
- SURF LP achieved economic occupancy<sup>1</sup> of 93.5% during Q4-2025 and as at March 23, 2026, had collected approximately 99.9% of rents for Q4-2025, with further amounts expected to be collected in future periods, demonstrating SURF LP’s high quality resident base and operating performance.
- On October 21, 2025, foreclosure proceedings of Emerson were finalized through a public auction which resulted in the transfer of ownership of Emerson to a third party and as a result of the transfer of ownership, SURF LP discharged its obligation to pay the outstanding mortgage loan principal balance on Emerson of \$56,680 and discharged all other liabilities of SURF LP associated with Emerson, with no cash proceeds being received by SURF LP as a result of the transfer of ownership. As a result of the transfer, SURF LP recognized a gain on the extinguishment of such debt amounting to \$1,209.
- On December 30, 2025, SURF LP and Starlight U.S. Residential Fund (the “Fund”) completed a reorganization transaction, pursuant to which unitholders of the Fund (the “Former Unitholders”) and

<sup>1</sup> This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see “Non-IFRS Financial Measures and Reconciliations”).



holders of class B LP units in SURF LP (“Class B LP Unitholders”) (collectively, the “Partners”) received class A limited partnership units of SURF LP (“SURF LP Units”) based on a defined exchange ratio and as a result became new unitholders of SURF LP and its subsidiaries.

## YTD-2025 HIGHLIGHTS

- Revenue from property operations for YTD-2025 was \$30,469 (YTD-2024 - \$39,423), representing a decrease of 22.7% relative to YTD-2024, primarily due to the Primary Variance Driver and a decrease of 2.5% in same property revenue primarily as a result of decreases in AMR due to SURF LP facing heavy competition from new supply and aggressive pricing to lease new properties in Phoenix.
- NOI for YTD-2025 was \$18,636 (YTD-2024 - \$24,927), representing a decrease of 25.2% relative to YTD-2024, primarily due to the Primary Variance Driver, decrease of 2.5% in same property revenue as described above and property tax assessment increase in Raleigh which is based on a four year reassessment cycle.
- SURF LP reported a net loss and comprehensive loss attributable to Partners for YTD-2025 of \$38,795 (YTD-2024 - \$58,119), primarily resulting from YTD-2024 reporting a higher fair value loss on investment properties than YTD-2025.
- SURF LP completed 117 in-suite light value-add upgrades at the Properties during YTD-2025, which generated an average rental premium of \$107 and an average return on cost of approximately 24.7%.
- SURF LP completed the disposition of Lyric on April 29, 2025 and used the proceeds to fully repay the outstanding loan payable secured by the property of \$86,697 and to fully repay SURF LP’s credit facility outstanding balance of \$13,605, which reduced the remaining availability on such credit facility to \$2,395. The remaining net proceeds from the sale were utilized for working capital and liquidity requirements of SURF LP.
- On July 17, 2025, the Bainbridge Sunlake (“Sunlake”) loan payable was extended by one-year to June 1, 2026. As per the terms of the extension, the loan is subject to certain conditions during the remaining loan term and bears interest-only payments at a fixed rate of 8.56% per annum with any debt service shortfall, as defined therein, being accrued and deferred until maturity.
- On August 12, 2025, SURF LP completed the disposition of Eight at East for proceeds of \$64,700 and fully repaid the applicable first mortgage of \$64,225.
- Despite continuing to enter into good faith negotiations to extend or modify the Ventura Apartments (“Ventura”) loan payable, SURF LP received a maturity default notice (the “Notice”) from the lender of the first mortgage secured by Ventura (the “Lender”). SURF LP continues to enter into good faith negotiations to extend such loan (see “Future Outlook”). SURF LP does not expect a material impact on its net asset value as a result of any remedies the lender may exercise.



## FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of SURF LP as at December 31, 2025, for Q4-2025 and YTD-2025, including a comparison to December 31, 2024, Q4-2024 and YTD-2024, as applicable, are provided below:

	December 31, 2025	December 31, 2024		
<b>Key multi-family operational information</b>				
Number of multi-family properties owned <sup>(1)</sup>	3	6		
Total multi-family suites	1,029	1,973		
Economic occupancy <sup>(2)</sup>	93.5%	93.3%		
Physical occupancy <sup>(2),(3)</sup>	94.2%	93.8%		
AMR (in actual dollars) <sup>(2)</sup>	\$ 1,552	\$ 1,591		
AMR per square foot (in actual dollars) <sup>(2)</sup>	\$ 1.71	\$ 1.67		
Estimated gap to market versus in-place rents <sup>(3)</sup>	(0.4)%	1.2%		
<b>Selected financial information</b>				
Gross book value <sup>(3)</sup>	\$ 265,700	\$ 514,400		
Indebtedness <sup>(3)</sup>	\$ 256,400	\$ 461,314		
Indebtedness to gross book value <sup>(3),(4)</sup>	96.5%	89.7%		
Weighted average interest rate - as at period end <sup>(5)</sup>	7.81%	6.10%		
Weighted average term to maturity <sup>(6)</sup>	1.13 years	1.57 years		
	Q4-2025	Q4-2024	YTD-2025	YTD-2024
<b>Summarized income statement (excluding non-controlling interest)<sup>(6)</sup></b>				
Revenue from property operations	\$ 5,494	\$ 9,741	\$ 30,469	\$ 39,423
Property operating	(1,372)	(2,654)	(8,236)	(10,453)
Property taxes <sup>(7)</sup>	(368)	(889)	(3,597)	(4,043)
Adjusted Income from Operations / NOI	3,754	6,198	18,636	24,927
Partnership expenses	(1,009)	(566)	(3,745)	(2,243)
Finance costs <sup>(8)</sup>	(4,004)	(8,486)	(26,644)	(35,591)
Other income and expense <sup>(9)</sup>	(388)	(38,452)	(27,042)	(45,212)
Net loss and comprehensive loss - attributable to Partners <sup>(6)</sup>	\$ (1,647)	\$ (41,306)	\$ (38,795)	\$ (58,119)
<b>Other selected financial information</b>				
Funds from operations ("FFO") <sup>(3)</sup>	\$ (657)	\$ (2,011)	\$ (8,267)	\$ (6,292)
Adjusted funds from operations ("AFFO") <sup>(3)</sup>	303	(611)	(2,377)	(1,966)
Weighted average interest rate - average during period <sup>(5)</sup>	7.75%	6.10%	7.18%	5.91%
Interest and indebtedness coverage ratio <sup>(3),(10)</sup>	1.13x	0.92x	0.89x	0.94x

<sup>(1)</sup> On April 29, 2025, August 12, 2025 and October 21, 2025, SURF LP completed the dispositions of Lyric, Eight at East and Emerson, respectively.

<sup>(2)</sup> Economic occupancy for Q4-2025 and Q4-2024 and physical occupancy as at the end of each applicable reporting period. The decrease in AMR from Q4-2024 to Q4-2025 was primarily due to SURF LP focusing on maintaining high levels of occupancy at the Properties during Q4-2025 as well as SURF LP competing with new supply in certain Primary Markets (as defined below). The increase in AMR per square foot for the same period is due to the reduction in number of suites resulting from the dispositions of Lyric, Eight at East and Emerson.

<sup>(3)</sup> This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures"). The increase in AFFO, Interest Coverage Ratio and Indebtedness Coverage Ratio from Q4-2024 to Q4-2025 is primarily due to the impact of accrued interest costs added back to AFFO, partially offset by decrease in NOI as a result of the Primary Variance Driver. The AFFO, Interest Coverage Ratio and Indebtedness Coverage Ratio presented herein exclude \$1,866 and \$5,688 of interest costs or debt service shortfall funding for Q4-2025 and YTD-2025 (Q4-2024 and YTD-2024 - \$964 and \$2,461) from applicable lenders which are payable upon maturity of the applicable loan payable.

<sup>(4)</sup> The maximum allowable leverage ratio under the amended and restated limited partnership agreement of SURF LP ("LPA") restricts SURF LP from entering into any additional indebtedness whereby at the time of entering into such indebtedness, the leverage ratio does not exceed 75% (as defined in LPA). As of the date of issuance of this press release, SURF LP met the maximum leverage condition and continues to focus on managing SURF LP's capital structure, including the overall leverage.

<sup>(5)</sup> The weighted average interest rate on loans payable is presented as at December 31, 2025 reflecting the prevailing index rate, 30-day New York Federal Reserve Secured Overnight Financing Rate ("NY SOFR") or one-month term Secured Overnight Financing Rate ("Term SOFR" and together with NY SOFR, "SOFR"), as at that date or based on the average rate for the applicable periods as it relates to quarterly rates. The weighted average interest rate presented above as at December 31, 2025 included the maximum interest rate on the unsecured financing of 12.00% and also included the impact of deferred interest costs or deferred debt service shortfall funding. The increase in the weighted average interest rate between the comparative periods in the table above was primarily due to SURF LP extending certain higher leverage loans with no required principal repayments at higher interest rates. In addition, the increase was as a result of SURF LP no longer requiring to purchase the Sunlake interest rate cap. SURF LP continues to focus on managing these debt maturities to provide an opportunity to potentially capitalize on any improvements in the real estate investment market.

<sup>(6)</sup> SURF LP acquired a 90% interest in Ventura on May 25, 2022, with the remaining non-controlling interest owned by an affiliate of the Starlight Investments US AM Group LP (the "Manager"). The summarized income statement figures presented above reflect the net loss attributable to Partners only, and excludes any amounts attributable to the non-controlling interest.

<sup>(7)</sup> Property taxes include the IFRIC 21 fair value adjustment and treats property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI.

<sup>(8)</sup> Finance costs include interest expense on loans payable, non-cash amortization of deferred financing, gain (loss) on early extinguishment of debt and fair value changes in derivative financial instruments.

<sup>(9)</sup> Includes dividends to preferred shareholders, unrealized foreign exchange gain (loss), realized foreign exchange gain (loss), fair value adjustment of investment properties and deferred income taxes.

<sup>(10)</sup> SURF LP's interest coverage ratio and indebtedness coverage ratio were both 1.13x during Q4-2025 and YTD-2025, with SURF LP's operating results partially offset by increases in SURF LP's interest costs as a result of SURF LP utilizing a variable rate debt strategy which allows SURF LP to maintain maximum flexibility for the potential sale of SURF LP's Properties. These calculations exclude \$1,866 and \$5,688 of interest costs or debt service shortfall funding for Q4-2025 and YTD-2025 as these amounts are accrued and payable only at maturity of the applicable loans payable. SURF LP also had fixed rate debt in place as at December 31, 2025 which in certain instances protect SURF LP from increases SOFR beyond stipulated levels on its mortgages at the Properties. SURF LP continues to monitor interest coverage ratio and indebtedness coverage ratio with the goal of preserving liquidity.



## NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

SURF LP's consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Certain terms that may be used in this press release such as AFFO, AMR, adjusted net income and comprehensive income, cash provided by operating activities including interest costs, economic occupancy, estimated gap in market versus in-place rents, FFO, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio, same property NOI and NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures as reported by other issuers. SURF LP uses these measures to better assess its underlying performance and financial position and provides these additional measures so that investors may do the same. Information on the most directly comparable IFRS measures, composition of the Non-IFRS Measures, a description of how SURF LP uses these measures, and an explanation of how these Non-IFRS Measures provide useful information to the investors are set out in SURF LP's management's discussion and analysis ("MD&A") in the "Non-IFRS Financial Measures" section for Q4-2025 and are available on SURF LP's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), which is incorporated by reference into this press release.

A reconciliation of SURF LP's interest coverage ratio and indebtedness coverage ratio are provided below:

Interest and indebtedness coverage ratio	Q4-2025	Q4-2024	YTD-2025	YTD-2024
Net loss and comprehensive loss - attributable to Partners	\$ (1,647)	\$ (41,306)	\$ (38,795)	\$ (58,119)
(Deduct) / add: non-cash or one-time items and distributions <sup>(1)</sup>	(439)	39,860	29,216	54,227
Adjusted net loss and comprehensive loss <sup>(2)</sup>	(2,086)	(1,446)	(9,579)	(3,892)
Interest and indebtedness coverage ratio <sup>(3)(4)(5)</sup>	1.13x	0.92x	0.89x	0.94x

<sup>(1)</sup> Comprised of unrealized foreign exchange gain (loss), deferred income taxes, amortization of financing costs, loss on early extinguishment of debt, fair value adjustment on derivative instruments and fair value adjustment on investment properties.

<sup>(2)</sup> This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures and Reconciliations").

<sup>(3)</sup> Interest coverage ratio is calculated as adjusted net loss and comprehensive loss plus interest expense, divided by interest expense.

<sup>(4)</sup> Indebtedness coverage ratio is calculated as adjusted net loss and comprehensive loss plus interest expense, divided by interest expense and mandatory principal payments on SURF LP's loans payable.

<sup>(5)</sup> These calculations exclude \$1,866 and \$5,688 of interest costs or debt service shortfall funding for Q4-2025 and YTD-2025 as these amounts are accrued and payable only at maturity of the applicable loan payable.

For Q4-2025 and YTD-2025, the interest coverage ratio and the indebtedness coverage ratio were both 1.13x and 0.89x (Q4-2024 and YTD-2024 - 0.92x and 0.94x) respectively, as there were no principal payments paid or required to be paid during the period. The increase in both ratios during Q4-2025 relative to Q4-2024 is due to an increase in deferred interest costs which are payable at maturity of the loan, while the decrease in both ratios during YTD-2025 relative to YTD-2024 is due to the reduction in NOI as a result of the Primary Variance Driver. The principal repayment amounts paid under the Lyric, Eight at East and Emerson loans payable have been excluded from this calculation as a result of these being related to the sale of the properties.

## CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

Basic and diluted AFFO for Q4-2025 were \$303 (Q4-2024 - \$(611)), representing an increase in AFFO of \$914 or 149.6% relative to Q4-2024, primarily due to the impact of an increase in accrued interest costs added back to AFFO in Q4-2025, given SURF LP completed certain debt amendments to allow SURF LP to defer such costs in 2024 and 2025.

SURF LP covered any shortfall between cash used by operating activities, including interest costs<sup>1</sup>, through either cash from operating activities during such applicable periods, cash on hand, or SURF LP's credit facility, including any proceeds from financing activities as applicable.

<sup>1</sup> This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures and Reconciliations").



A reconciliation of SURF LP's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q4-2025, Q4-2024, YTD-2025 and YTD-2024 is provided below:

	Q4-2025	Q4-2024	YTD-2025	YTD-2024
<b>Cash provided by operating activities</b>	\$ 4,740	\$ 9,229	\$ 20,733	\$ 22,945
Less: interest costs	(5,007)	(7,258)	(25,167)	(27,247)
<b>Cash (used in) provided by operating activities - including interest costs</b>	<b>(267)</b>	<b>1,971</b>	<b>(4,434)</b>	<b>(4,302)</b>
Add / (deduct):				
Change in non-cash operating working capital	(336)	(3,244)	(1,861)	(2,173)
Change in restricted cash	(1,570)	(258)	(3,620)	2,300
(Gain) loss on early extinguishment of debt	1,209	—	1,209	(94)
Transaction costs	611	—	1,857	—
Amortization of financing costs	(304)	(480)	(1,418)	(2,023)
<b>FFO</b>	<b>(657)</b>	<b>(2,011)</b>	<b>(8,267)</b>	<b>(6,292)</b>
Add / (deduct):				
Amortization of financing costs	395	569	1,770	2,322
(Gain) loss on early extinguishment of debt	(1,209)	—	(1,209)	94
Vacancy costs associated with the suite upgrade program	4	17	121	41
Sustaining capital expenditures and suite renovation reserves	(96)	(150)	(480)	(592)
Accrued interest costs <sup>(1)</sup>	1,866	964	5,688	2,461
<b>AFFO</b>	<b>\$ 303</b>	<b>\$ (611)</b>	<b>\$ (2,377)</b>	<b>\$ (1,966)</b>

<sup>(1)</sup> These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable.

## SUBSEQUENT EVENTS

Subsequent to December 31, 2025, despite continuing to enter into good faith negotiations to extend or modify the Ventura loan payable, SURF LP received a maturity default notice from the lender of the first mortgage secured by Ventura. SURF LP continues to enter into good faith negotiations to extend such loan (see "Future Outlook"). SURF LP does not expect a material impact on its net asset value as a result of any remedies the lender may exercise.

## FUTURE OUTLOOK

On December 30, 2025, SURF LP and the Fund completed a reorganization transaction, pursuant to which the Former Unitholders of the Fund and Class B LP Unitholders in SURF LP received Canadian dollar denominated SURF LP Units based on a defined exchange ratio. As a result, the Former Unitholders and Class B LP Unitholders became the unitholders of SURF LP and its subsidiaries.

Since early 2022, concerns over elevated levels of inflation have resulted in a significant increase in interest rates with the U.S. Federal Reserve raising the Federal Funds Rate by approximately 525 basis points. During 2024, the U.S. Federal Reserve reduced the Federal Funds Rate by 100 basis points and in 2025, reduced the rate by a further 75 basis points, leading to a rate of approximately 350 basis points as at the date of this press release. Short-term interest rate increases typically lead to increases in borrowing costs for SURF LP, reducing cash flow, given that SURF LP primarily employs a variable rate debt strategy to provide maximum flexibility upon the eventual sale of the Properties during or at the end of SURF LP's term. Similarly, as interest rates decrease, SURF LP's floating rate debt can benefit from such reductions. Historically, investments in multi-family properties have provided an effective hedge against inflation given the short-term nature of each resident lease which has been somewhat reflected in the rent growth achieved at the Properties.

Although inflation has reduced significantly from its peak, markets and the Federal Reserve continue to closely monitor inflation and unemployment figures as well as the potential impacts of anticipated changes to legislation and regulation resulting from the current U.S. administration that may impact the future outlook for interest rates. Although operating fundamentals have been favourable as evidenced by the operating results achieved by SURF LP since 2023 and although short-term rates began declining in 2024 providing some benefit to the short-term cash flow of SURF LP, long-term U.S. treasuries have continued to be volatile, increasing from approximately 3.80% as at September 30, 2024 to 4.57% as at December 31, 2024, before decreasing to 4.16% as at December 31, 2025. Capitalization rates typically correlate over time to changes in long-term interest rates with the noted increase in long-term U.S. treasury yields reducing investment



transaction volumes throughout 2024 and into Q4-2025 which negatively impacted SURF LP's 2025 appraised values for the investment properties and also resulted in a reduction in the reported values for SURF LP's investment properties for YTD-2025 due to an expansion in capitalization rates.

SURF LP strives to maintain strong and collaborative relationships with its lenders but the elevated level of interest rates and associated impact on capitalization rates mentioned above had a negative impact on SURF LP's overall leverage position and debt service coverage ratios, both of which are typical financial benchmarks required to extend certain loans and as a result, these changes have impacted SURF LP's ability to exercise certain extension options available under existing loans payable.

Under the terms of each applicable loan agreement, SURF LP has the right to make a principal repayment towards such loan in order to achieve the extension tests that otherwise may not be achieved. Given SURF LP was formed as a "closed-end" investment vehicle, SURF LP is restricted from raising any additional equity, which may have otherwise assisted in making any principal repayments of the loans payable in order to meet certain extension conditions. In the event SURF LP is not able to refinance the loan or if SURF LP does not have sufficient liquidity or other sources of capital sufficient to make any such principal repayments required to achieve the applicable loan extension tests and SURF LP is not able to otherwise negotiate an extension of such loan, the applicable lender may provide formal notice of an event of default expressing its right to demand repayment of the borrowings relating to such property. Under this scenario, SURF LP may be obligated to sell such properties which may not be able to be completed on terms that are acceptable to SURF LP or may be required to explore other options in the best economic interests of SURF LP in order to discharge its obligations under any of the applicable loan agreements. SURF LP's loans payable also do not carry cross-default provisions.

The loan payable secured by interests in Ventura property matured on February 9, 2026 and despite continuing to enter into good faith negotiations with first mortgage lender for its property, SURF LP received a Notice from the Lender. The Notice received expresses the Lender's right to demand repayment of the borrowings secured by the property. In the absence of a negotiated modification and extension of such loan, the Lender has the right to exercise the remedies available to it under the loan agreement, including a foreclosure of the property. If the Notice was successfully defended by the Lender and such remedies were exercised, the Lender would be able to foreclose on the property through a foreclosure sale process or a third party purchaser at the foreclosure sale, with the proceeds of the sale applied to amounts owed to Lender under the loan. As at the date hereof, the Lender has not exercised any such remedies and SURF LP continues to enter into good faith negotiations with such Lender. SURF LP does not expect a material impact on its net asset value as a result of any remedies the lender may exercise.

On July 17, 2025, SURF LP extended the loan payable secured by Sunlake property to June 1, 2026. However, during Q4-2025, SURF LP received a Notice from the Lender of the Sunlake loan payable which outlined certain remedies available to such Lender. SURF LP does not agree that an event of default has occurred and is disputing the Notice. As of the date of issuance of this press release, the Lender has not exercised any such remedies available and SURF LP continues to enter into good faith negotiations with such Lender.

For the loan payable secured by certain pledged interests in the Emerson property ("Pledged Interests"), SURF LP was pursuing a loan extension but during the three months ended September 30, 2025, SURF LP received a Notice from the applicable Lender. The Notice received expressed the Lender's right to demand repayment of the borrowings secured by the Pledged Interests. The Lender of such property decided to exercise such remedies available and on October 21, 2025, finalized foreclosure proceedings of Emerson through a public auction which resulted in the transfer of ownership of Emerson to a third party. The transfer of the Emerson resulted in no net proceeds to SURF LP. The loans secured by Emerson did not carry cross-default provisions with any other loans payable outstanding for SURF LP and SURF LP does not expect a material impact on its net asset value as a result of any such transfer.

For the Eight at East loan payable, SURF LP amended the loan agreement to obtain a short-term extension to September 7, 2025 and on August 12, 2025, completed the disposition of such property and repaid the applicable loan secured by the Eight at East property in full at that time.

For two of SURF LP's three properties, the fair value reported for such properties as at December 31, 2025 was lower than the principal outstanding under the loans payable secured by such properties and as a result,



the sale of those properties may not be sufficient to repay those loans in full if such sale was required. In certain instances, the lenders also hold restricted cash as part of the security for such loans which in a liquidation event may be used to repay any indebtedness required to be repaid by SURF LP. SURF LP's secured loans are non-recourse subject to standard limited recourse provisions and are entered into by the subsidiaries of SURF LP that own only the associated secured property. As a result, the liability for any such loan would typically be limited to the value of the associated secured property, including any restricted cash reserves or other amounts held by the applicable lenders, other than in certain instances which may obligate SURF LP to incur certain costs or other amounts subject to certain performance conditions.

The primary markets of SURF LP, which include Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington ("Primary Markets") have seen an elevated level of new supply delivered during 2023 and 2024 which contributed to the deceleration in rent growth in the Primary Markets during late 2023, relative to levels achieved in 2022 and earlier in 2023. Interest rates also continue to remain elevated which, along with higher levels of inflation and a softening in market conditions in late 2023, has significantly disrupted active and new construction of comparable communities in the Primary Markets that would otherwise have been delivered in the second half of 2025 or 2026. This potential reduction in construction may create a temporary imbalance in the supply of comparable multi-suite residential properties in future periods. This imbalance, alongside the continued economic strength and solid fundamentals may be supportive of favourable supply and demand conditions for the Properties in future periods and could result in future increases in occupancy and rent growth.

SURF LP previously amended several of its loan agreements, deferred the payment of asset management fee, completed the reorganization of the Fund and SURF LP and has continued to focus on maximizing NOI at the Properties to preserve as much liquidity as possible. There are no assurances that the aforementioned financing activities and remaining property dispositions will be successfully completed which indicates the existence of a material uncertainty that may cast doubt upon SURF LP's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. SURF LP's consolidated financial statements for the year ended December 31, 2025 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that may be necessary if SURF LP were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments, if required, may be material.

During this period of capital markets uncertainty, SURF LP may also enter into additional financing, evaluate potential asset sales to allow SURF LP to maintain sufficient liquidity or evaluate other alternatives in the best economic interests of the Partners.

Further disclosure surrounding the Future Outlook is included in SURF LP's MD&A in the "Future Outlook" section for Q4-2025 under SURF LP's profile, which is available on [www.sedarplus.ca](http://www.sedarplus.ca).



## FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect SURF LP's current expectations regarding future events, including the overall financial performance of SURF LP and the Properties, the impact of elevated levels of inflation and interest rates, uncertainty surrounding U.S. tariffs, the ability of SURF LP to repay indebtedness when due, SURF LP's ability to negotiate further extensions with its lenders, the potential implications of a default under loans payable, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP's capital management and liquidity measures. Forward-looking information is provided for the purposes of assisting the reader in understanding SURF LP's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking information may relate to future results, the impact of inflation levels and interest rates, the ability of SURF LP to make any future distributions, the trading price of SURF LP's TSX Venture class A unit, acquisitions, financing, performance, achievements, events, prospects or opportunities for SURF LP or the real estate industry and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, AMR, taxes, and plans and objectives of or involving SURF LP. Particularly, matters described in "Future Outlook" are forward-looking information. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities may not be achieved. Those risks and uncertainties include: the extent and sustainability of potential higher levels of inflation and the potential impact on SURF LP's operating costs; the impact of any tariffs and retaliatory tariffs on the economy; the pace at which and degree of any changes in interest rates that impact SURF LP's weighted average interest rate may occur; the ability of SURF LP to make any future distributions; the trading price of the units; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Properties or SURF LP's legal entities; the impact of elevated interest rates and inflation as well as supply chain issues have on new supply of multi-family communities; the realization of property value appreciation and the timing thereof; the extent to which favourable operating conditions achieved during historical periods may continue in future periods; the applicability of any government regulation concerning SURF LP's residents or rents; SURF LP's ability to continue as a going concern; the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP and the availability of debt financing or ability of SURF LP to extend loans as loans payable become due including any impact such extensions may have on SURF LP's ability to hold such properties until the Manager desires to sell such properties. A variety of factors, many of which are beyond SURF LP's control, affect the operations, performance and results of SURF LP and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

There are numerous risks and uncertainties which include, but are not limited to, risks related to SURF LP's Partners' capital, and risks related to SURF LP and its business. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements. Although SURF LP believes the expectations reflected in such forward-looking information are reasonable and represent SURF LP's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause SURF LP's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from SURF LP's expectations include, among other things, the availability of suitable properties



for purchase by SURF LP, the availability of mortgage financing including the ability of SURF LP to refinance or extend existing loans payable on favourable terms including any impact such extensions may have on SURF LP's ability to hold such properties until the Manager desires to sell such properties, and general economic and market factors, including interest rates, inflation, business competition, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP and changes in government regulations or in tax laws. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions; the impact of elevated levels of inflation on SURF LP's operating costs; the impact of future interest rates on SURF LP's financial performance; the availability of debt financing as loans payable become due and any resulting impact on SURF LP's liquidity; the trading price of the units, the applicability of any government regulation concerning SURF LP's residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the availability of residential properties for potential future acquisition, if any, and the price at which such properties may be acquired; the ability of SURF LP to benefit from any value add program SURF LP conducts at certain properties; the price at which the Properties may be disposed and the timing thereof; closing and other transaction costs in connection with the acquisition and disposition of the Properties; the extent of competition for residential properties; the impact of interest costs, inflation and supply chain issues have on new supply of multi-family communities; the extent to which favourable operating conditions achieved during historical periods may continue in future periods; the growth in NOI generated from its value-add initiatives; the population of residential real estate market participants; assumptions about the markets in which SURF LP operates; expenditures and fees in connection with the maintenance, operation and administration of the Properties; the ability of the Manager to manage and operate the Properties or achieve similar returns to previous investment funds managed by the Manager; the global and North American economic environment; foreign currency exchange rates; the ability of SURF LP to realize the estimated gap in market versus in-place rents through future rental rate increases; the impact, of any, remedies exercised as a result of any default of a loan incurred by SURF LP and governmental regulations or tax laws. Given this period of uncertainty, there can be no assurance regarding: (a) operations and performance or the volatility of the Units; (b) SURF LP's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) the Manager or any of its affiliates, will continue its involvement as asset manager of SURF LP in accordance with its current asset management agreement; and (e) other risks inherent to SURF LP's business and/or factors beyond its control which could have a material adverse effect on SURF LP.

The forward-looking information included in this press release relates only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian securities law, SURF LP undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



## ABOUT STARLIGHT U.S. RESIDENTIAL (MULTI-FAMILY) INVESTMENT LP

SURF LP is a “close-end” limited partnership formed under and governed by the laws of the Province of Ontario, pursuant to an amended and restated limited partnership agreement. SURF LP was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily composed of income-producing residential properties in SURF LP’s target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, value-add capital expenditures and active asset management. As at December 31, 2025, SURF LP owned interests in three multi-family properties consisting 1,029 suites.

For SURF LP’s complete consolidated financial statements and MD&A for the year ended December 31, 2025 and any other information related to SURF LP, please visit [www.sedarplus.ca](http://www.sedarplus.ca). Further details regarding SURF LP’s unit performance and distributions, market conditions where SURF LP’s properties are located, performance by SURF LP’s properties and a capital investment update are also available in SURF LP’s March 2026 Newsletter which is available on SURF LP’s profile at [www.starlightinvest.com](http://www.starlightinvest.com).

Please visit us at [www.starlightinvest.com](http://www.starlightinvest.com) and connect with us on LinkedIn at [www.linkedin.com/company/starlight-investments-ltd-](http://www.linkedin.com/company/starlight-investments-ltd-).

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