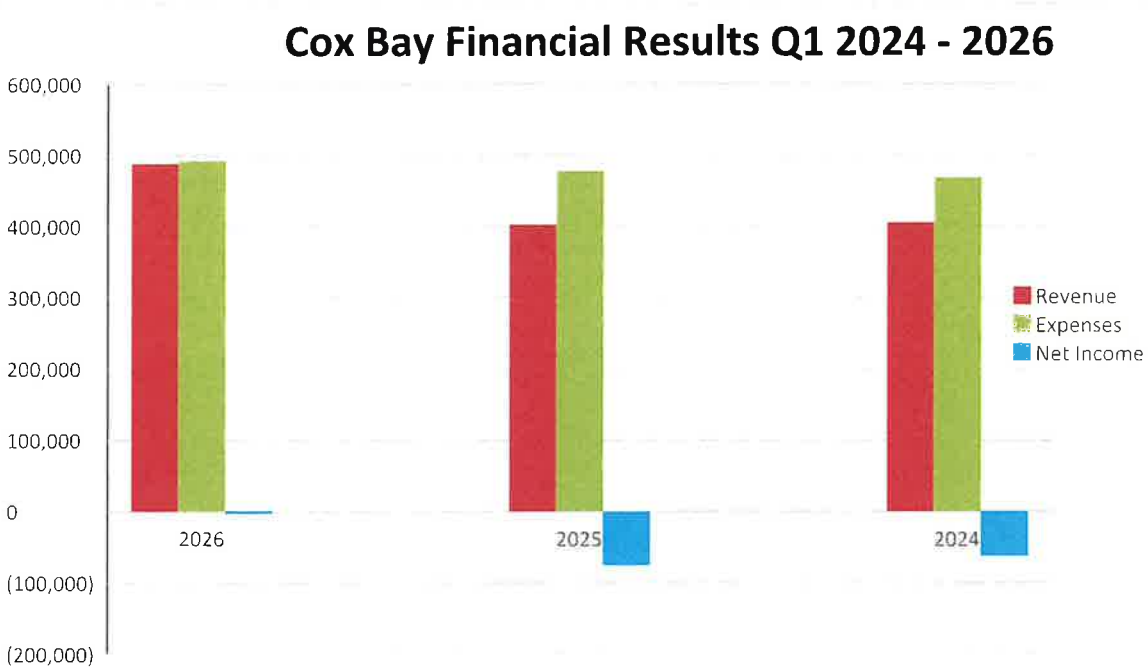
LeFevre BUILT DIFFERENT

REPORT OF THE ADMINISTRATION MANAGER

FIRST QUARTER ENDED MARCH 31, 2026

1. REVENUES & EXPENSES — Schedule #1 — Income & Expense Statement

- First-quarter Revenue of $488,050 was 21% higher than 2025 Revenue of $401,722 and 21% higher than 2024 revenue of $404,918. This increase was driven by an improvement in occupancy, net of owner usage, combined with strong growth in ADR, resulting in higher overall Revenue performance.
- Wages in the quarter decreased by 13% or $34,195 due to the elimination of overlapping General Manager salaries that were incurred during Ashley Booth's transition into her new role. The organization now operates with a smaller management team.
- Other Expenses showing a significant variance include the following.
    - Utilities costs decreased by 13% over 2025.
    - Commissions increased by $7,086 in the quarter over 2025 primarily due to greater utilization of Online Travel Agency (OTA) channels and promotional campaigns. These initiatives successfully generated additional bookings and increased Revenue.
    - Professional Fees increased by $3,603 due to invoice timing differences from 2025.
    - R & M Expenses increased by $33,634 in the quarter over 2025 largely due to post and deck replacements for several units and improvements to the hot tub area.
- Total Expenses for the quarter increased by 3% or $13,901. This increase was driven by increased R&M.
- Other Repair and Maintenance expenses in the quarter include $8,135 for Bedding & Linen, $2,059 in Furnishings, $6,222 for the annual fire inspection, $2,616 for tree work, $4,176 for appliances and $2,812 for new locks.
- Net Loss for the quarter showed a strong improvement over 2025 due to higher Revenue with the Net Loss decreasing to $3,184 from $75,612 in 2025, a $72,428 positive variance. A loss position is normal in the first quarter.



2. AVERAGE DAILY RATE - Schedule #2 - ADR by Room Type

The quarterly ADR increased over 2025 for all room types. One Bedroom units increased by $31 (13%), Two Bedroom Loft units increased by $70 (22%), and Two Bedroom units increased by $33 (9%). The increases were due to both increased rates for 2026 over 2025 and reduced discounting mid-week in 2026 compared to 2025.

3. RESORT OCCUPANCY - Schedule #3 - Resort Occupancy

Overall occupancy for the quarter decreased slightly to 46.9% from 47.1% in 2025. Occupancy, net of Owner use, however, had an increase over 2025 at 45.4% vs. 44.1%. Owner usage decreased significantly in the quarter compared to 2025 at 100 rooms occupied vs. 192 in 2025 and 271 in 2024. This drop is owner occupancies is unexpected.

4. MARKETING

We engaged our marketing team, Sydni Romine and Curt Yoder, to develop content for our staff-focused social media platforms. They captured high-quality material featuring our team to support ongoing efforts to promote employment opportunities and showcase the positive workplace culture at Cox Bay. A further content shoot is scheduled for next quarter to refresh and update our social media assets, which is expected to enhance online engagement and strengthen our overall digital presence.

5. STAFF & MANAGEMENT

During this quarter, beam remediation work was completed for Units 8/30. Four additional beam remediation projects have been scheduled throughout the balance of 2026. As well, we continue to assess units across the property and identify those requiring repair work.

Annual maintenance shutdowns were ongoing across the property during the quarter. During these periods, rooms undergo a deep clean and comprehensive refresh that includes painting, baseboard repairs, heater replacements, appliance upgrades (where necessary), and other maintenance improvements and repairs.

During this quarter, repairs to damaged gutters for Units 9–15, Units 16–18, and the area behind the lounge room were completed. Additional assessments of the property's downpipe/gutter system are planned, with follow-up work to be scheduled as required.

During the previous quarter, Bartlett Tree Experts conducted an assessment of the trees throughout the property. Following this evaluation, their team returned in February to complete the recommended tree maintenance work, focusing on both maintaining the health of the trees and the safety of guests and owners across the property.

The hot tub re-decking project was completed in February and this included perimeter lights to the zone.

Blue Eye Landscaping completed the winter cleanup of the property's garden beds. To further enhance the landscaping prior to the busy season, a return visit was completed in April which provided for a more comprehensive overhaul and preparation the grounds for peak season.

We continue to develop and refine the property's 3/5/10 year capital plan. Ongoing property assessments are being conducted to ensure the plan remains comprehensive, accurately reflects the property's needs, and supports informed long-term maintenance and investment decisions.

We gradually saw an increase in staffing levels as we welcomed new team members in preparation for the spring and summer seasons. This trend continued into the second quarter, with further hiring anticipated as we move into peak season.

Finally, we bid farewell to Sarah Curtis on February 1st. Sarah has been a loyal, long-term and dedicated member of the Cox Bay team. We sincerely appreciate her contributions during her time with us and wish her every success in her future endeavors. We will miss her presence.

Respectfully,

Chris Le Fevre
Le Fevre & Company
502 - B Pembroke Street Victoria BC V8T 1H4
lefevregroup.com