

Report to Shareholders

2024 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

2024 has been a year of tremendous progress for Sienna. We built on our growth momentum for a second year in a row and achieved exceptional financial results, further strengthened our balance sheet, advanced our development pipeline with two projects nearing completion, and secured a highly attractive portfolio acquisition in Alberta.

But this is just the beginning—with the rapid growth of Canada’s senior population driving demand, we believe there is unprecedented growth potential for Sienna for years to come.

Two years of growth – and the momentum continues

From a financial perspective, the fourth quarter of 2024 marked the eighth consecutive quarter of year-over-year adjusted same property net operating income (“NOI”) growth. This consistent growth performance over the past two years reflects the strength and potential of our business. Adjusted same property NOI increased by 29.0% in our long-term care segment and by 15.3% in our retirement segment in the final quarter of 2024.

Our long-term care homes are fully occupied with growing wait lists. Supporting our long-term care segment were the significant annual government funding increase in Ontario, retroactive funding from the Government of British Columbia, as well as higher preferred accommodation revenues. At our retirement operations, continued occupancy growth and rate increases supported the strong performance in this segment.

Driving success in our retirement operations

Ongoing improvements to our operations and the exceptional supply/demand fundamentals in senior living drove sustained same property occupancy growth in our retirement segment to 92.9% in Q4 2024, up 110 bps from Q3 2024 and 300 bps year over year compared to Q4 2023. This positive trend continued in January 2025 with same property occupancy reaching 93.1% and putting us on our path to achieving our stabilized occupancy target of 95% within the next 12 months. We further expect to see this positive momentum reflected in the expansion of our operating margins by approximately 100 - 150 basis points in 2025 compared to 2024.

In addition to same property occupancy and margin growth, we see opportunities to create value through our asset optimization initiatives at certain properties. These initiatives target a better market fit and include renovations, the changes in suite mix, and additional services or the alternative use of a property to reflect the evolving needs of residents. By optimizing our existing portfolio, we expect to unlock substantial NOI growth while modernizing Sienna’s asset base.

We have identified five retirement residences that are well suited for repositioning in the near term. With a current average occupancy rate of 76%, these assets are expected to make a significant contribution to Sienna’s overall NOI growth, once repositioned.

Investing in our team leads to higher retention for a second year in a row

One of Sienna's notable achievements in recent years is the company's impactful investment in its team members. Our focus on team member engagement, recognition, and development has had a profound impact on Sienna's team culture and our ability to retain team members in a sector challenged by high turnover. For the second year in a row, we were able to reduce turnover by approximately 30%. With a team of over 13,000, improved retention has played a significant role in reducing our reliance on agency staff and helped stabilize our business operations. Strengthening retention will continue to be a key driver of Sienna's success, benefiting both our residents and team members alike.

Fostering a culture of ownership—both through our share ownership program and by deeply engaging our team members in our shared purpose—has been a powerful way to enhance resident satisfaction and our business performance.

Strong balance sheet and ample liquidity puts us in a solid position for growth

Our country is currently facing a period of economic uncertainty. While the threat of tariffs imposed by the United States or the potential impact of Canadian counter-tariffs remains fluid, we have already taken proactive steps and have plans in place to ensure Sienna is well-prepared. As a senior living operator exclusively operating in Canada, we anticipate that the direct impact on our business will be minimal. Our diversified portfolio, which includes both government-funded long-term care and private-pay retirement residences, provides a solid foundation for stability. In addition, our strong balance sheet and ample liquidity positions us well to navigate tariffs or other economic disruptions.

Outlook

The long-term fundamentals of Canadian senior living remain exceptionally robust, fueled by the rising needs of seniors, who make up the fastest-growing demographic in Canada, and limited new supply of senior living accommodations.

Looking ahead, we will continue to leverage these outstanding sector dynamics as we grow through portfolio optimization, achieve occupancy improvements towards our 95% target, and drive retirement NOI and margin growth. Our confidence in Sienna's growth outlook for 2025 and beyond is reinforced by our redevelopment projects in Ontario—two of which are set to be completed and operational in the second half of 2025 with investment yields of 8.0% - 8.5%—along with nearly \$300 million in accretive acquisitions under contract.

On behalf of our management team and Board of Directors, I extend our deepest gratitude for your continued support and trust.

Sincerely,



Nitin Jain

President and Chief Executive Officer
Sienna Senior Living

Management's Discussion and Analysis

2024 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION	1	BUSINESS PERFORMANCE	49
ADDITIONAL INFORMATION	1	ADJUSTED FUNDS FROM OPERATIONS	50
REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS	1	FOURTH QUARTER 2024 PERFORMANCE	51
COMPANY PROFILE	2	CONSTRUCTION FUNDING	52
NON-GAAP PERFORMANCE MEASURES	2	MAINTENANCE CAPITAL EXPENDITURES	53
KEY PERFORMANCE INDICATORS	9	RECONCILIATION OF CASH FLOW FROM OPERATIONS TO ADJUSTED FUNDS FROM OPERATIONS	54
FOURTH QUARTER 2024 SUMMARY	11	FINANCIAL POSITION ANALYSIS	54
BUSINESS UPDATE	15	LIQUIDITY AND CAPITAL RESOURCES	55
OUTLOOK	23	LIQUIDITY	56
SIGNIFICANT EVENTS	26	DEBT	56
SUBSEQUENT EVENTS	27	CREDIT RATINGS	61
OUR PURPOSE, VISION AND VALUES	28	FINANCIAL COVENANTS	61
COMPANY STRATEGY AND OBJECTIVES	28	EQUITY	64
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY	30	CAPITAL DISCLOSURE	65
INDUSTRY UPDATE	32	CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS	66
BUSINESS OF THE COMPANY	37	CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES	66
QUARTERLY FINANCIAL INFORMATION	37	SIGNIFICANT JUDGEMENTS AND ESTIMATES	66
SELECTED ANNUAL FINANCIAL INFORMATION	38	RISK FACTORS	67
OPERATING RESULTS	39	RISKS RELATING TO THE BUSINESS	68
JOINT ARRANGEMENT	39	RISKS RELATING TO A PUBLIC COMPANY AND COMMON SHARES	81
ADJUSTED REVENUE, ADJUSTED OPERATING EXPENSES, AND ADJUSTED NOI	40	CONTROLS AND PROCEDURES	83
CONSOLIDATED NET OPERATING INCOME	41	FORWARD-LOOKING STATEMENTS	84
ADJUSTED NET OPERATING INCOME BY SEGMENT	43		
RETIREMENT	44		
LONG-TERM CARE	46		
DEPRECIATION AND AMORTIZATION	47		
ADMINISTRATIVE EXPENSES	47		
SHARE OF NET LOSS IN JOINT VENTURES	48		
NET FINANCE CHARGES	48		
TRANSACTION COSTS	49		
INCOME TAXES	49		

Basis of Presentation

The following Management's Discussion and Analysis ("**MD&A**") for Sienna Senior Living Inc. (the "**Company**" or "**Sienna**") provides a summary of the financial results for the year ended December 31, 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements ("**consolidated financial statements**") for the year ended December 31, 2024. This material is available on the Company's website at www.siennaliving.ca. Additional information about the Company, including its most current Annual Information Form ("**AIF**") can be found on the System for Electronic Document Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca.

All references to "**we**", "**our**", "**us**", "**Sienna**", or the "**Company**", unless otherwise indicated or the context otherwise requires, refer to Sienna Senior Living Inc. and its direct and indirect subsidiaries. For ease of reference, the "Company" is used in reference to the ownership and operation of senior living residences and its third party management business. Subsidiaries of the Company are the direct owners and operators of such residences.

Financial information has been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). In this document, "**Q1**" refers to the three-month period ended March 31; "**Q2**" refers to the three-month period ended June 30; "**Q3**" refers to the three-month period ended September 30; and "**Q4**" refers to the three-month period ended December 31.

With the exception of this MD&A's Business Update, Outlook and Environmental, Social and Governance ("**ESG**") Responsibility sections, or unless otherwise stated, all dollar amounts referred to in this MD&A, including tabular amounts, are expressed in thousands of Canadian dollars.

This MD&A contains forward-looking information based on management's expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for Sienna and the senior living industry as of the date of this MD&A. Please refer to the "Forward-looking Statements" section and the "Risk Factors" section of this MD&A for more information.

Additional Information

Additional information relating to the Company can be found on the Company's website at www.siennaliving.ca, by accessing the Company's public filings on SEDAR+, or by contacting David Hung, the Company's Chief Financial Officer and Executive Vice President, Investments at 905-489-0258 or david.hung@siennaliving.ca.

Review and Approval by the Board of Directors

This MD&A is dated as of February 19, 2025, the date this report was approved by the Board of Directors of the Company, and is based on information available to management of the Company as of that date.

Company Profile

The Company and its predecessors have been operating since 1972. The Company is a senior living provider serving the continuum of independent living ("IL"), independent supportive living ("ISL"), assisted living ("AL"), memory care ("MC") and long-term care ("LTC" or "Long-term Care") through the ownership and operation of senior living residences in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario. As at December 31, 2024, the Company owns and operates a total of 82 senior living residences: 40 retirement residences ("RRs" or "Retirement Residences") (including the Company's 50% joint venture interest in 12 residences in Ontario and Saskatchewan, and 70% joint venture interest in one residence in Ontario); 34 LTC communities; and eight senior living residences providing both private-pay IL/AL and funded LTC (including the Company's joint ownership in two residences in British Columbia). The Company also provides management services to an additional 12 senior living residences in the Provinces of British Columbia, Ontario and Alberta.

The table below represents the number of suites or beds owned and operated or managed by the Company, by business segment.

Owned Residences	Retirement		Long-term Care		Total ⁽¹⁾	
	Residences	Suites	Residences	Beds ⁽²⁾	Residences	Beds / Suites
100% Owned - operating	27	3,208	40	6,198	67	9,406
Partially Owned - operating ⁽³⁾	13	1,384	2	374	15	1,758
Total Owned	40	4,592	42	6,572	82	11,164
Managed Residences	9	827	3	526	12	1,353
Total	49	5,419	45	7,098	94	12,517

Notes:

- 79.8%, 15.5%, 4.1% and 0.6% of total beds/suites are located in Ontario, British Columbia, Saskatchewan and Alberta, respectively.
- 180 of the LTC beds are privately funded.
- We have a 50% ownership in 12 retirement residences (1,234 suites), a 70% ownership in one retirement residence (150 beds), a 70% ownership in one long-term care community (256 beds) and a 77% ownership in one long-term care community (118 beds) as at December 31, 2024.

The Company is traded on the Toronto Stock Exchange ("TSX") under the symbol "SIA".

The Company's business is carried on through a number of wholly owned limited partnerships and joint ventures formed under the laws of the Province of Ontario.

As at February 19, 2025, the Company had 82,825,444 common shares outstanding.

Non-GAAP Performance Measures

In this MD&A, the Company uses certain supplemental measures of key performance that are not measures recognized under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. These performance measures are net operating income ("NOI"), funds from operations ("FFO"), operating funds from operations ("OFFO"), adjusted funds from operations ("AFFO"), earnings before interest, taxes, depreciation and amortization, and impairment loss ("EBITDA") and maintenance capital expenditures ("maintenance capital expenditures"), and collectively with NOI, FFO,

OFFO, AFFO and EBITDA, the "**Non-GAAP Measures**". These terms are defined in the following table and reconciliations to the most comparable IFRS measures are referenced, as applicable.

The Company also uses the following key performance indicators (the "**Key Performance Indicators**"): Occupancy, Total Adjusted Revenue, Total Adjusted Operating Expenses, Adjusted NOI, OFFO and OFFO per share, AFFO and AFFO per share, EBITDA, Adjusted EBITDA, AFFO Payout Ratio, Debt to Adjusted Gross Book Value, Weighted Average Cost of Debt, Debt to Adjusted EBITDA Ratio, Interest Coverage Ratio, Debt Service Coverage Ratio, Weighted Average Term to Maturity, Same Property, and Growth and Optimization Portfolio to assess the overall performance of the Company's operations.

These Key Performance Indicators and Non-GAAP Measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS Accounting Standards as indicators of the Company's performance. The Company believes these measures and indicators improve comparability of the underlying financial performance between periods. The Company's method of calculating these measures may differ from other issuers' methods and accordingly, these measures may not be comparable to measures presented by other publicly traded entities.

Effective as of Q4 2024, the Company updated the definitions of "Same Property" and added another Key Performance Indicator, "Growth and Optimization", previously referred to as "Acquisitions, Development and Others" to enhance disclosure of the Company's retirement portfolio. As part of this change, retirement assets undergoing repositioning under Sienna's asset optimization initiative have been reclassified from Same Property to the Growth and Optimization Portfolio. Comparative figures for prior periods have been adjusted for consistency with the current year's presentation.

Non-GAAP Measures ⁽¹⁾	Definition	Reconciliation
Total Adjusted Revenue	Total Adjusted Revenue is defined as revenue, including the Company's share of revenue in Equity-Accounted Joint Ventures (as defined below) on a proportionate consolidated basis.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Total Adjusted Operating Expenses	Total Adjusted Operating Expenses is defined as operating expenses, including the Company's share of operating expenses in Equity-Accounted Joint Ventures (as defined below) on a proportionate consolidated basis.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Equity-Accounted Joint Ventures	Equity-Accounted Joint Ventures is defined as the Company's interest in Sienna-RSH Niagara Falls LP and Sienna-Sabra LP joint ventures.	N/A

Non-GAAP Measures ⁽¹⁾	Definition	Reconciliation
Net Operating Income ("NOI")	NOI is defined as property revenue net of property operating expenses. The Company believes that NOI is a useful additional measure of operating performance as it provides a measure of core operations that is calculated prior to taking into account depreciation, amortization, administrative expenses, impairment loss, net finance charges, transaction costs, gain (loss) on disposal of properties and income taxes.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Adjusted Net Operating Income ("Adjusted NOI")	Adjusted Net Operating Income is defined as NOI, including the Company's share of the NOI from Equity-Accounted Joint Ventures. Management of the Company is of the view that Adjusted NOI is a relevant measure of the operating performance of the Company.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Funds from Operations ("FFO")	FFO is defined as Adjusted NOI less certain items including administrative expenses, net finance charges, current income taxes and SOAR program. FFO is a recognized earnings measure that is widely used by public real estate entities, particularly by those entities that own and/or operate income-producing properties. The use of FFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the Company's operating results. The IFRS measure most directly comparable to FFO is "net income".	Section - Business Performance - Adjusted Funds from Operations
Operating Funds from Operations ("OFFO") and OFFO per Share	OFFO is FFO adjusted for non-recurring items, which includes restructuring costs, and presents net finance charges on a cash interest basis. Management of the Company is of the view that OFFO is a relevant measure of the operating performance of the Company.	Section - Business Performance - Adjusted Funds from Operations

Non-GAAP Measures ⁽¹⁾	Definition	Reconciliation
Adjusted Funds from Operations ("AFFO") and AFFO per share	AFFO is defined as OFFO plus the principal portion of construction funding received, less actual maintenance capital expenditures. Management of the Company believes AFFO is a cash flow measure, which is relevant in understanding the Company's ability to earn cash and pay dividends to shareholders. The IFRS measure most directly comparable to AFFO is "cash flow from operating activities".	Section - Business Performance - Reconciliation of Cash Flow from Operations to Adjusted Funds from Operations, and Section - Business Performance - Adjusted Funds from Operations
Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")	EBITDA is defined as net income excluding net finance charges, taxes, transaction costs, depreciation and amortization, impairment loss, and including the Company's share of NOI in the Equity-Accounted Joint Ventures. EBITDA is relevant in understanding the Company's ability to service its debt, finance capital expenditures and pay dividends to shareholders. The IFRS measure most directly comparable to EBITDA is "net income".	Section - Liquidity and Capital Resources - Financial Covenants
Adjusted EBITDA	Adjusted EBITDA is defined as EBITDA, including the Company's share of Equity-Accounted Joint Ventures (as defined above) on a proportionate consolidated basis, adjusted for construction funding proceeds and non-recurring items, including SOAR program.	Section - Liquidity and Capital Resources - Financial Covenants

1. These are also Key Performance Indicators used to assess overall performance of the Company's operation.

Key Performance Indicators	Description
Maintenance Capital Expenditures	Maintenance capital expenditures are defined as capital investments, including the Company's share of capital investments in Equity-Accounted Joint Ventures, made to maintain the Company's residences to meet residents' needs and continually improve residents' experience. These expenditures include building maintenance, mechanical and electrical spend, suite renovations, common area maintenance, communications and information systems, furniture, fixtures and equipment. Please refer to the Maintenance Capital Expenditures section of this MD&A for additional financial information.
Occupancy	Occupancy is a key driver of the Company's revenues.
AFFO Payout Ratio	Management of the Company monitors the AFFO payout ratio, which is calculated by dividing dividends declared over AFFO.

Key Performance Indicators	Description
Debt to Adjusted Gross Book Value	<p>This ratio is calculated by dividing total debt (including the Company's share of debt in Equity-Accounted Joint Ventures) over Adjusted Gross Book Value.</p> <p>In conjunction with the debt service coverage ratio, management of the Company monitors this ratio to ensure compliance with certain financial covenants.</p>
Weighted Average Cost of Debt	<p>This ratio is calculated by weighted averaging the average interest rate for the total debt maturing each year.</p> <p>It is an indicator of the average interest rate the Company expects to pay on its total debt.</p>
Debt to Adjusted EBITDA Ratio	<p>This ratio is calculated by dividing total debt (including the Company's share of debt in Equity-Accounted Joint Ventures), over Adjusted EBITDA.</p>
Interest Coverage Ratio	<p>Interest coverage ratio, which is calculated using Adjusted EBITDA divided by net finance charges, is a common measure used to assess an entity's ability to service its debt obligations.</p>
Debt Service Coverage Ratio	<p>This ratio which is calculated using total debt service (including the Company's share of debt in Equity-Accounted Joint Ventures), divided by Adjusted EBITDA, is a useful indicator of the Company's ability to pay off its debt.</p>
Weighted Average Term to Maturity	<p>This ratio is calculated by totaling the weighted average number of remaining years for mortgages.</p> <p>This indicator is used by management of the Company to monitor its debt maturities.</p>
Same Property	<p>"Same Property" measures are similar to "same-store" measures used in a number of other industries and are intended to measure the period over period performance of the same asset base. The Same Property portfolio excludes any properties in the Growth and Optimization portfolio.</p>
Growth and Optimization	<p>The Growth and Optimization portfolio includes optimization properties ("Optimization") that are expected to be undergoing repositioning under Sienna's asset optimization initiative, involving renovations or major adjustments, including adjustment to capacity or use in the current and/or the next year to maximize value, increase NOI, maintain market-competitive position and/or achieve stabilization; growth properties ("Growth"), including: (i) properties that were acquired and (ii) development and redevelopment properties that are in lease-up; and others, including assets held for sale or that were sold, and properties closing or closed. Acquired properties are considered "Same Property" after one year since the acquisition. Properties undergoing new development, redevelopment or repositioning are considered "Same Property" at the earlier of three years since completion or upon achieving stabilized occupancy levels and/or NOI levels.</p>

Key Performance Indicators	Description
Expected Development Yield	This ratio is calculated as the expected stabilized annual NOI of a development property, divided by development cost net of any development grant and present value of construction funding subsidy.
Investment Yield	This ratio is calculated as stabilized annual NOI, divided by the purchase price of the acquired property.

Key Performance Indicators

The following table represents the Key Performance Indicators⁽⁵⁾ for the periods ended December 31:

Thousands of Canadian dollars, except occupancy, share and ratio data	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
OCCUPANCY						
Retirement - Average Same Property ⁽¹⁾	92.9 %	89.9 %	3.0 %	91.3 %	88.7 %	2.6 %
Retirement - Average Growth and Optimization ⁽²⁾	71.4 %	77.1 %	(5.7)%	67.5 %	78.5 %	(11.0)%
Retirement - Optimization ⁽²⁾	76.4 %	77.1 %	(0.7)%	74.6 %	78.5 %	(3.9)%
Retirement - Growth ⁽²⁾	49.8 %	— %	49.8 %	34.2 %	— %	34.2 %
Retirement - Average total occupancy	89.8 %	88.4 %	1.4 %	87.9 %	87.5 %	0.4 %
LTC - Average private occupancy	97.7 %	93.3 %	4.4 %	97.1 %	92.0 %	5.1 %
LTC - Average total occupancy ⁽³⁾	98.4 %	97.5 %	0.9 %	98.2 %	97.5 %	0.7 %
FINANCIAL						
Total Adjusted Revenue ⁽⁴⁾	246,265	218,863	27,402	929,911	816,657	113,254
Total Adjusted Operating Expenses, net ⁽⁴⁾	199,607	180,659	18,948	730,305	665,402	64,903
Total Adjusted Same Property NOI	45,489	37,089	8,400	195,764	146,049	49,715
Total Adjusted NOI	46,658	38,204	8,454	199,606	151,255	48,351
Administrative expenses	8,771	7,172	1,599	35,054	29,092	5,962
Adjusted EBITDA	38,575	31,272	7,303	168,086	126,976	41,110
Net income	7,860	432	7,428	38,403	7,038	31,365
OFFO	29,432	22,112	7,320	116,119	82,071	34,048
AFFO	25,084	17,756	7,328	103,221	75,137	28,084
Dividends declared	19,332	17,074	2,258	72,064	68,288	3,776
AFFO Payout ratio	77.1 %	96.2 %	(19.1)%	69.8 %	90.9 %	(21.1)%
Total assets	1,859,807	1,695,343	164,464	1,859,807	1,695,343	164,464
PER SHARE INFORMATION						
Net income per share, basic and diluted	0.095	0.006	0.089	0.503	0.097	0.406
OFFO per share	0.356	0.303	0.053	1.522	1.125	0.397
AFFO per share	0.304	0.243	0.061	1.353	1.030	0.323
Dividends per share	0.234	0.234	—	0.936	0.936	—
FINANCIAL RATIOS						
Debt to Adjusted Gross Book Value as at period end	41.1 %	44.6 %	(3.5)%	41.1 %	44.6 %	(3.5)%
Weighted Average Cost of Debt as at period end	3.8 %	3.7 %	0.1 %	3.8 %	3.7 %	0.1 %
Debt to Adjusted EBITDA as at period end	6.4	8.4	(2.0)	6.4	8.4	(2.0)
Interest Coverage Ratio	3.4	3.4	—	3.9	3.4	0.5
Debt Service Coverage Ratio	2.0	1.8	0.2	2.3	1.9	0.4
Weighted Average Term to Maturity as at period end	6.7	5.9	0.8	6.7	5.9	0.8
CHANGE IN TOTAL ADJUSTED SAME PROPERTY NOI						
Retirement			15.3 %			11.7 %
LTC			29.0 %			53.3 %
Total			22.6 %			34.0 %

Notes:

1. Effective January 1, 2024, the results of Woods Park, which was acquired in January 2023, were reclassified from "Growth and Optimization" to "Same Property".
2. Effective as of Q4 2024, "Growth and Optimization" portfolio, previously referred to as "Acquisitions, Development and Others" includes five retirement residences that are undergoing repositioning under asset optimization initiative, which are grouped as part of "Retirement - Optimization", and one retirement residence in Niagara Falls included in "Retirement - Growth", which opened on January 24, 2024 and is currently in lease up effective January 24, 2024.
3. Excludes the 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.
4. Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), with the corresponding expenses are presented as part of operating expenses. In 2023, the Company presented them on a net basis as net pandemic and incremental agency expenses.
5. Key Performance Indicators table includes one-time items recognized in 2024. For normalized amounts on selected KPIs, please refer to the table below.

The following table represents the Key Performance Indicators adjusted for one-time items for the periods ended December 31:

	Three months ended December 31,				
	2024, including one-time items	Less: one- time items ⁽¹⁾	2024, excluding one-time items	2023	Change ⁽²⁾
Thousands of Canadian dollars, except occupancy, share and ratio data					
FINANCIAL					
Total Adjusted Revenue	246,265	(2,464)	243,801	218,863	24,938
Total Adjusted Operating Expenses, net	199,607	—	199,607	180,659	18,948
Total Adjusted Same Property NOI	45,489	(2,464)	43,025	37,089	5,936
Total Adjusted NOI	46,658	(2,464)	44,194	38,204	5,990
Administrative expenses	8,771	—	8,771	7,172	1,599
Adjusted EBITDA	38,575	(2,464)	36,111	31,272	4,839
Net income	7,860	(1,809)	6,051	432	5,619
OFFO	29,432	(1,809)	27,623	22,112	5,511
AFFO	25,084	(1,809)	23,275	17,756	5,519
Dividends declared	19,332	—	19,332	17,074	2,258
AFFO Payout ratio	77.1 %	6.0 %	83.1 %	96.2 %	(13.1)%
Total assets	1,859,807	—	1,859,807	1,695,343	164,464
PER SHARE INFORMATION					
Net income per share, basic and diluted	0.095	(0.022)	0.073	0.006	0.067
OFFO per share	0.356	(0.022)	0.334	0.303	0.031
AFFO per share	0.304	(0.022)	0.282	0.243	0.039
Dividends per share	0.234	—	0.234	0.234	—
FINANCIAL RATIOS					
Debt to Adjusted EBITDA as at period end	6.4	1.4	7.8	8.4	(0.6)
Interest Coverage Ratio	3.4	(0.2)	3.2	3.4	(0.2)
Debt Service Coverage Ratio	2.0	(0.2)	1.8	1.8	—
CHANGE IN TOTAL ADJUSTED SAME PROPERTY NOI					
Retirement					15.3 %
LTC					16.6 %
Total					16.0 %

Notes:

- In Q4 2024, the Company recognized retroactive funding of \$1,809 (\$2,464 net of \$655 taxes) from British Columbia health authorities, including \$1,357 (\$1,848 net of \$491 taxes) relating to the prior year.
- Change between 2024, excluding one-time items and 2023.

	Year ended December 31,				
	2024, including one-time items	Less: one- time items ⁽¹⁾	2024, excluding one-time items	2023	Change ⁽³⁾
Thousands of Canadian dollars, except occupancy, share and ratio data					
FINANCIAL					
Total Adjusted Revenue	929,911	(29,525)	900,386	816,657	83,729
Total Adjusted Operating Expenses, net	730,305	—	730,305	665,402	64,903
Total Adjusted Same Property NOI	195,764	(29,525)	166,239	146,049	20,190
Total Adjusted NOI	199,606	(29,525)	170,081	151,255	18,826
Administrative expenses	35,054	—	35,054	29,092	5,962
Adjusted EBITDA	168,086	(29,525)	138,561	126,976	11,585
Net income	38,403	(21,674)	16,729	7,038	9,691
OFFO	116,119	(21,674)	94,445	82,071	12,374
AFFO	103,221	(21,674)	81,547	75,137	6,410
Dividends declared	72,064	—	72,064	68,288	3,776
AFFO Payout ratio	69.8 %	18.6 %	88.4 %	90.9 %	(2.5)%
Total assets	1,859,807	—	1,859,807	1,695,343	164,464
PER SHARE INFORMATION					
Net income per share, basic and diluted	0.503	(0.284)	0.219	0.097	0.406
OFFO per share	1.522	(0.284)	1.238	1.125	0.397
AFFO per share	1.353	(0.284)	1.069	1.030	0.323
Dividends per share	0.936	—	0.936	0.936	—
FINANCIAL RATIOS					
Debt to Adjusted EBITDA as at period end	6.4	1.4	7.8	8.4	(0.6)
Interest Coverage Ratio	3.9	(0.6)	3.3	3.4	(0.1)
Debt Service Coverage Ratio	2.3	(0.4)	1.9	1.9	—
CHANGE IN TOTAL ADJUSTED SAME PROPERTY NOI					
Retirement					11.0 %
LTC					16.2 %
Total					13.8 %

Notes:

- The following table summarizes one-time items recognized in 2024, including items relating to the prior years:

Thousands of Canadian dollars	Amount	Taxes	Amount net of Taxes
Q1 - Ontario one-time funding	10,064	2,676	7,388
Q1 - British Columbia retroactive funding	13,591	3,614	9,977
Q2 - Workplace Safety and Insurance Board ("WSIB") refund ⁽²⁾	3,406	906	2,500
Q4 - British Columbia retroactive funding	2,464	655	1,809
Total one-time items	29,525	7,851	21,674

- WSIB refund of \$3,406 related to the prior years of which \$2,960 as recognized by the Company's LTC segment and \$446 by the Company's RET segment.
- Change between 2024, excluding one-time items and 2023.

Fourth Quarter 2024 Summary

2024 has been a year of considerable progress and continued success for Sienna. The Company's Q4 2024 results highlight our ongoing initiatives to improve our operating platforms and deliver on our growth strategies across both lines of business and marks the eighth consecutive quarter of significant Same Property NOI growth in our long-term care and retirement segments. In addition, our capital initiatives to raise equity and debt during the second half of 2024 have been met with strong investor demand and our efforts to expand into Alberta with a strategic acquisition were successful.

With respect to Sienna's financial results, the Company achieved a 22.6% year-over-year increase in its adjusted Same Property NOI in Q4 2024, including 29.0% in its long-term care segment and 15.3% in its retirement segment.

In Q4 2024, Sienna revised its definition of Same Property to exclude assets undergoing repositioning under Sienna's asset optimization initiative. These assets are now included in the Growth and Optimization portfolio. For a detailed description, please refer to the definitions "Same Property" and "Growth and Optimization" disclosed under Non-GAAP Performance Measures in this MD&A.

The following table summarizes the assets that are in the Growth and Optimization portfolio as of December 31, 2024:

Property Type	At Sienna's Share of Ownership				
	Number of Properties	Number of Suites	Number of Suites	Q4 2024 Occupancy	Q4 Adjusted NOI (\$'000)
Retirement - Optimization	5	535	457	76.4%	1,077
Retirement - Growth	1	150	105	49.8%	91

The table below summarizes the impact of the Company's change of its Same Property definition on selected Key Performance Indicators for the periods ended December 31, 2024:

Thousands of Canadian dollars, except occupancy	Three months ended December 31,					
	2024 - New Definition	2024 - Old Definition	Change	2023 - New Definition	2023 - Old Definition	Change
OCCUPANCY						
Retirement - Average Same Property	92.9 %	90.9 %	2.0 %	89.9 %	88.4 %	1.5 %
Retirement - Average Growth and Optimization ⁽¹⁾	71.4 %	49.8 %	21.6 %	77.1 %	— %	77.1 %
Retirement - Optimization	76.4 %	— %	76.4 %	77.1 %	— %	77.1 %
Retirement - Growth	49.8 %	49.8 %	— %	— %	— %	— %
Retirement - Average Total Occupancy	89.8 %	89.8 %	— %	88.4 %	88.4 %	— %
CHANGE IN ADJUSTED SAME PROPERTY NOI						
Retirement - Adjusted Same Property NOI	19,733	20,811	(1,078)	17,119	18,234	(1,115)
Retirement - Growth and Optimization NOI	1,169	91	1,078	1,115	—	1,115
Retirement - Total Adjusted NOI	20,902	20,902	—	18,234	18,234	—
Total Adjusted Same Property NOI	45,489	46,567	(1,078)	37,089	38,204	(1,115)

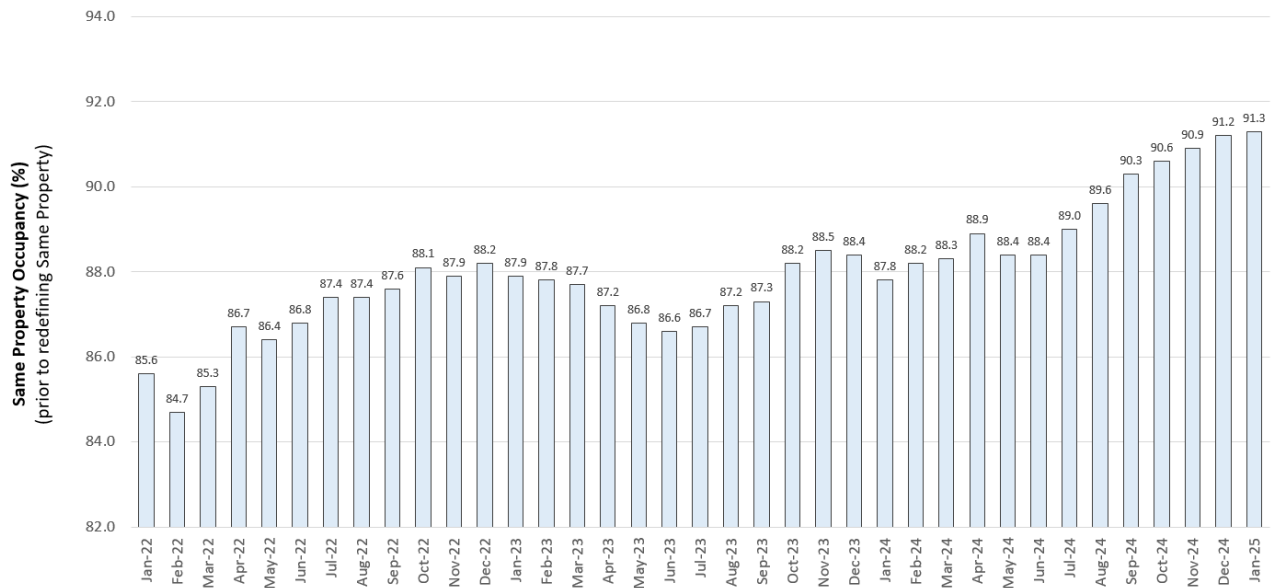
Thousands of Canadian dollars, except occupancy	Year ended December 31,					
	2024 - New Definition	2024 - Old Definition	Change	2023 - New Definition	2023 - Old Definition	Change
OCCUPANCY						
Retirement - Average Same Property	91.3 %	89.3 %	2.0 %	88.7 %	87.5 %	1.2 %
Retirement - Average Growth and Optimization ⁽¹⁾	67.5 %	34.2 %	33.3 %	78.5 %	— %	78.5 %
Retirement - Optimization	74.6 %	— %	74.6 %	78.5 %	— %	78.5 %
Retirement - Growth	34.2 %	34.2 %	— %	— %	— %	— %
Retirement - Average Total Occupancy	87.9 %	87.9 %	— %	87.5 %	87.5 %	— %
CHANGE IN ADJUSTED SAME PROPERTY NOI						
Retirement - Adjusted Same Property NOI	75,450	79,654	(4,204)	67,560	72,766	(5,206)
Retirement - Growth and Optimization NOI	3,842	(362)	4,204	5,206	—	5,206
Retirement - Total Adjusted NOI	79,292	79,292	—	72,766	72,766	—
Total Adjusted Same Property NOI	195,764	199,968	(4,204)	146,049	151,255	(5,206)

¹ Effective as of Q4 2024, "Growth and Optimization" portfolio, previously referred to as "Acquisitions, Development and Others" includes five retirement residences that are undergoing repositioning under asset optimization initiative, which are grouped as part of "Retirement - Optimization", and one retirement residence in Niagara Falls included in "Retirement - Growth", which opened on January 24, 2024 and is currently in lease up effective January 24, 2024.

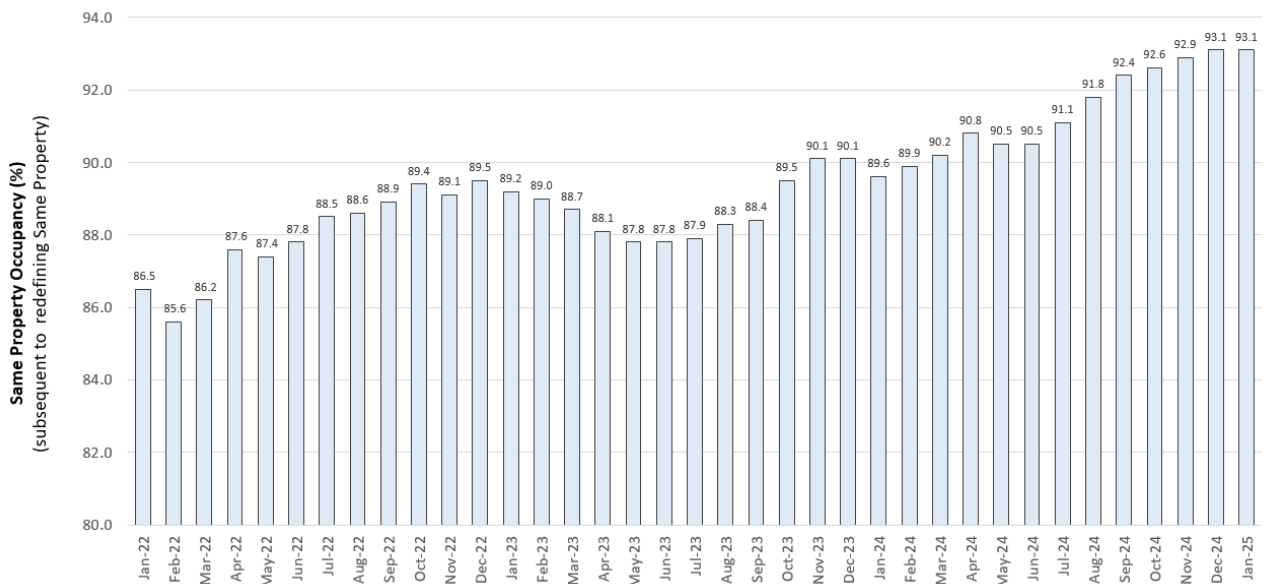
Retirement Same Property Occupancy - Average Same Property occupancy in the Retirement portfolio was 92.9% in Q4 2024, up 110 basis points ("bps") quarter over quarter from 91.8% in Q3 2024, and 300 bps year-over-year from 89.9% in Q4 2023. Subsequent to the end of Q4 2024, occupancy further increased to 93.1% in January 2025.

The following charts shows the monthly average Retirement Same Property occupancy percentage over the past three years before and after adjustments to reflect the Company's revised definition of Same Property.

The monthly Same Property occupancy chart below highlights the Company's occupancy over the past three years prior to updating the Company's definition of Same Property:



The monthly Same Property occupancy chart below highlights the Company's occupancy over the past three years subsequent to updating the Company's definition of Same Property:



LTC Occupancy - Average occupancy in the LTC portfolio was 98.4% in Q4 2024, excluding the unavailable 3rd and 4th beds that will not be reopened, a 90 bps improvement compared to 97.5% in Q4 2023.

Total Adjusted Revenue increased by 12.5% in Q4 2024, or \$27,402, to \$246,265, compared to Q4 2023. In the Retirement segment, adjusted revenues increased by \$5,992, or 11.5%, compared to Q4 2023, driven by

occupancy increases, annual rental rate increases, and care and ancillary revenue. In the LTC segment, revenues increased by \$21,410, or 12.8%, compared to Q4 2023, primarily due to increased flow-through funding for direct care, significant government funding increases offsetting cost pressures in recent years, retroactive funding of \$2,464, of which \$1,848 related to 2023, and higher private accommodation revenue.

Total Adjusted Operating Expenses, net of government assistance increased by \$18,948 in Q4 2024, or 10.5%, to \$199,607, compared to Q4 2023. In the Retirement segment, the increase in expenses is mainly due to higher labour and food expenses. In the LTC segment, the increase in expenses was mainly due to higher direct care wages and annual inflationary wage increases.

Total Adjusted NOI increased by \$8,454 in Q4 2024, or 22.1%, to \$46,658, compared to Q4 2023. Adjusted NOI in the Retirement segment increased by \$2,668, driven by an increase in adjusted Same Property NOI mainly due to an occupancy increase, annual rental rate increases, and higher care and ancillary revenue. NOI in the LTC segment increased by \$5,786 largely due to a significant annual government funding increase to support cost increases in recent years and retroactive funding of \$2,464, of which \$1,848 related to 2023, offset by direct care wages and inflationary increases in expenses.

Net income was \$7,860 for Q4 2024 as compared to a net income of \$432 in Q4 2023. The increase was primarily due to higher Adjusted NOI and lower net financing costs, offset partially by an increase in administrative expenses, and higher provision for income taxes resulting from higher Adjusted NOI.

OFFO increased by 33.1% in Q4 2024, or \$7,320, to \$29,432 compared to Q4 2023. The increase was primarily attributable to higher Adjusted NOI, including, \$1,809 of retroactive funding (\$2,464 net of \$655 taxes), of which \$1,357 related to the prior year (\$1,848 net of \$491 taxes), lower transaction costs and interest, partially offset by higher income tax. OFFO per share increased by 17.5% in Q4 2024, or \$0.053, to \$0.356.

AFFO increased by 41.3% in Q4 2024, or \$7,328, to \$25,084 compared to Q4 2023. The increase was primarily related to the increase in OFFO and a decrease in maintenance capital expenditure, offset partially by a decrease in construction funding income. AFFO per share increased by 25.1% in Q4 2024 to \$0.304.

Debt - The Company's Debt to Adjusted Gross Book Value decreased by 350 bps to 41.1% at the end of Q4 2024, from 44.6% at the end of Q4 2023, primarily due to increased gross book value as a result of development projects in process and the Company's equity issuance in August 2024. Debt to Adjusted EBITDA decreased to 6.4 times in Q4 2024 from 8.4 times in Q4 2023, and the Debt Service Coverage Ratio increased to 2.0 times in Q4 2024 from 1.8 times in Q4 2023. The Interest Coverage Ratio remained at 3.4 times in Q4 2024 compared to 3.4 times in Q4 2023. The Weighted Average Term to Maturity increased to 6.7 years from 5.9 years in Q4 2023. The Company is in compliance with all of its debt covenants.

Our debt is well distributed between unsecured debentures, credit facilities, construction loans, conventional mortgages and CMHC insured mortgages.

Business Update

2024 has been a year of considerable progress and continued success for Sienna. In addition to the significant improvements of our operating results, major highlights included a \$144 million equity raise (before fees) and the issuance of \$150 million of unsecured debentures used to refinance the Company's Series A Unsecured Debentures, which matured in November 2024. These activities are supporting Sienna's growth initiatives, including our platform expansion in Alberta which is expected to be finalized at the end of Q1 2025, and our development program. Two of the Company's redevelopments located in North Bay and Brantford are expected to be completed during the second half of 2025, with construction at a third project located in Keswick, Ontario having started in Q4 2024.

The fourth quarter of 2024 marked the Company's eighth consecutive quarter of year-over-year adjusted Same Property NOI growth since the beginning of 2023. Adjusted Same Property NOI increased by 29.0% in our long-term care segment and by 15.3% increase in our retirement segment in the final quarter of 2024. On a normalized basis, excluding one-time items recognized in 2024, Sienna generated a 16.0% increase in its adjusted same property NOI year-over-year in Q4 2024.

Capturing the growth potential inherent in our business for the past two years not only contributed to the notable expansion in Sienna's NOI, but set the stage for considerable growth and diversification opportunities in 2025 and beyond.

Growth and Diversification Initiatives

Sienna maintains its strategy of growing its diversified portfolio of private-pay retirement residences and government-funded long-term care communities in Canada. We continue to actively pursue accretive acquisitions and are in a unique position to acquire campuses of care, which provide both retirement living and long-term care and are therefore best suited for diversified companies. In addition, we will continue to grow our asset base through our development program.

With deep experience and scale in both retirement living and long-term care, we run two distinct business lines, while taking advantage of the benefits inherent in shared services and scale. Furthermore, our expertise in clinical care within Sienna's long-term care operations can be applied across our retirement platform, where an increasing number of residents requires support with daily living and healthcare. At the same time, many hospitality elements at our retirement platform can also be applied at our long-term care operations to enhance resident experience. This will further help us differentiate our Company within the Canadian senior living landscape.

We further believe that diversification adds to the financial strength of our business as it allows us to capture higher potential growth and operating margins inherent in our retirement portfolio, while benefiting from the stability of the government-funded long-term care operations.

Expansion into Alberta with Portfolio Acquisition of Continuing Care Homes

On October 16, 2024, Sienna entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat (the "**Portfolio**" or "**Acquisition**") for an aggregate purchase price of \$181.6 million.

The Portfolio presents a compelling expansion opportunity for Sienna in Alberta, adding new, high-quality properties to the Company's senior housing portfolio in Western Canada, and further diversifying its portfolio. As Sienna's first acquisition in Alberta, it not only provides immediate scale, but also establishes a platform for further expansion opportunities in a desirable growth market in Canada. The Portfolio is strategically located in vibrant, growing communities and benefits from favourable supply/demand fundamentals in their respective markets.

Occupancy of the Portfolio, excluding one community currently in lease-up, exceeds 98%.

With an average age of less than three years, the Portfolio offers contemporary senior living accommodations with extensive care and services offerings, reflecting the changing needs of seniors. The Portfolio falls under the Continuing Care Home Type B (formerly Designated Supportive Living 4) & Type B Secure Space (formerly Designated Supportive Living 4 Dementia) segment and will be classified as part of Sienna's long term care segment.

Property	Market	Opened	# of Suites			Occupancy (Dec. 2024)
			Type B	Type B Secure Space	Total	
Airdrie Care Community	Calgary Metropolitan Region, AB	Q2 2022	90	36	126	98.4 %
Shasta Care Community	Edmonton, AB	Q4 2022	72	90	162	99.4 %
Fort Saskatchewan Care Community	Fort Saskatchewan, AB	Q3 2023	72	54	126	98.0 %
Medicine Hat Care Community	Medicine Hat, AB	Q3 2023	90	36	126	85.7 %
Total			324	216	540	95.6 %

The Portfolio's NOI is expected to be stabilized within the first year of operations and is accretive to AFFO and OFFO. Sienna expects the Acquisition to generate an approximate 6.5% investment yield in the first twelve months of operations following the closing of the transaction, with opportunity for additional growth, including synergies from potential further expansion in Western Canada.

The gross purchase price for the Portfolio is \$181.6 million, subject to certain adjustments, including an additional contingent payment of up to \$4.0 million, if certain performance targets are achieved prior to March 2026. The Acquisition will be financed through the assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.4 years. The balance is financed with the proceeds from Sienna's equity raise in August 2024.

Completion of the Acquisition is subject to customary closing conditions for transactions of this nature, including the receipt of all necessary regulatory approvals, including the approvals from the relevant health authorities in Alberta. Sienna expects the completion of the Acquisition to occur by the end of Q1 2025.

Acquisition of Ownership Interest in Nicola Lodge, Port Coquitlam, British Columbia

On September 14, 2023, Sienna entered into an agreement to acquire the remaining 60% interest in Nicola Lodge, a 256-bed best-in-class long-term care community managed and partially owned by the Company. Nicola Lodge was built in 2016 and offers long term care with specialized services for bariatric care, dementia and mental health care.

The transaction is taking place in two stages, each comprising a 30% interest. The first stage of the acquisition was completed at the end of 2023 and the acquisition of the remaining 30% interest, which will be financed with proceeds from Sienna's equity raise in August 2024, is expected to close in Q1 2025.

Joint Venture Retirement Residence in Ontario in Lease-Up

Our joint venture development of a 150-suite retirement residence ("**Elgin Falls**") in Niagara Falls with Reichmann Seniors Housing was completed in the fourth quarter of 2023. The total capital investment for 100% of Elgin Falls is approximately \$55 million, and the Expected Development Yield is approximately 7.5%. Sienna's share of Elgin Falls is 70%. The property is currently in lease-up and will be managed by our joint venture partner until fully stabilized, at which point Sienna has the option to acquire the remaining 30% interest and assume management of the retirement residence. As at December 31 2024, 55% of the suites were occupied and leasing for the remaining suites continues to progress well.

Development/Redevelopment of Long-Term Care and Campus of Care Portfolio in Ontario

The Government of Ontario is committed to make significant investments with respect to developing new long-term care beds and upgrading existing beds. The investments are tailored to account for regional differences in land and construction costs.

To date, we have three projects under construction. Our campus of care project in Brantford, where we are replacing 122 Class C long-term care beds with 160 Class A beds and adding a 147-suite retirement residence, is progressing well. In September 2024, we opened a sales centre for the retirement residence named Aspira Brants Landing in anticipation of completing this project in the second half of 2025. The estimated total development cost for the campus of care is approximately \$140.0 million, with an Expected Development Yield of approximately 8.5%.

We are also progressing well with construction at our Northern Heights Care Community in North Bay, a 160-bed long-term care redevelopment, which will replace 148 older Class C beds. The total development cost for this project, which has an Expected Development Yield of 8.0%, is close to \$80.0 million. Further details with respect to the development yields can be found under Developments in the Outlook section of this MD&A.

Both long-term care redevelopments in Brantford and North Bay are located on new sites and are expected to be completed in the second half of 2025.

With respect to our newest long-term care redevelopment project in Keswick, Ontario, we started construction in October 2024. Located on a campus comprising a 130-suite retirement residence and an older 60-bed Class B long-term care home, Sienna will redevelop the current 60-bed long-term care home into a 160-bed community, adding 100 new beds. The Expected Development Yield for this project with anticipated development costs of \$87.0 million is approximately 8.5%.

Combined, the development cost for Sienna's three projects currently under construction in North Bay, Brantford and Keswick is expected to be over \$300 million. Once completed and operational, these three projects are expected to have a significant impact on our operating results and improvement to Sienna's AFFO payout ratio.

These developments will support the Company's growth and renewal plans for its long-term care portfolio, contribute to the government's important goal of rebuilding Ontario's older long-term care homes, and ultimately benefit the fast growing seniors population.

Retirement Operations Update

As at December 31, 2024, the Company's owned retirement portfolio comprised 4,592 suites across Ontario, Saskatchewan and British Columbia and contributed approximately 45% to the Adjusted NOI in Q4 2024. Adjusted same-property NOI increased by 15.3% year-over-year compared to Q4 2023.

Average occupancy in the Company's Same Property portfolio was 92.9% in Q4 2024, up 300 bps year-over-year compared to Q4 2023. Our robust sales platform and intensified focus on generating strong interest in our residences, as well as continued improvements to our operations and exceptional supply/demand fundamentals all supported this significant occupancy improvement and put us well on our way to achieving stabilized occupancy of 95%. This positive trend continued in January 2025 with Same Property occupancy reaching 93.1%.

Our results were further supported by rate increases in line with market rates. Combined with our asset optimization initiatives and disciplined cost management, our sustained occupancy and rate increases are expected to drive margin expansion in the retirement segment.

Asset Optimization Initiatives

Sienna believes that there is a significant opportunity to create value through its asset optimization initiatives at certain properties. These initiatives target a better market fit and include renovations, the changes in suite mix, additional services or the alternative use of a property to reflect the evolving needs of residents. By optimizing our existing portfolio, we expect to unlock substantial NOI growth while modernizing Sienna's asset base.

We have identified five retirement residences that are well suited for repositioning in the near term. With a current average occupancy rate of approximately 76%, these assets are expected to make a significant contribution to Sienna's overall NOI growth, once repositioned.

Marketing and Sales Initiatives

Strong community engagement remains a key objective of Sienna's sales teams, with a keen focus on building and maintaining excellent relationships with healthcare and business partners in the local communities of our residences.

The marketing strategy continues to be strengthened with new digital and print campaigns. We will also further leverage and strengthen the Company's Aspira brand and signature programs to generate strong interest in our residences. In addition, we are focused on resident feedback to enhance the living experience, including dining, culinary, resident engagement and care.

In addition to our local and centralized marketing and sales initiatives, targeted on-site sales, marketing, and community outreach support is provided to a number of homes with above average levels of vacancy.

Strong lead generation, enhanced by a competitive sales commission plan and refocused sales training, further supported occupancy during Q4 2024 and subsequent to year end. In addition, we anticipate that annual rental rate increases in line with market rates will add to the Company's continued Adjusted NOI growth in the retirement segment.

Long-term Care Operations Update

In Q4 2024, Same Property NOI increased by 29.0% to \$25.8 million year-over-year in the Company's owned long-term care portfolio, which comprises 6,572 beds in Ontario and British Columbia.

The Government of Ontario's increase to Other Accommodations funding, which became effective as of April 2024 and compensates long-term care operators for the increased costs in recent years, has helped to support the increase in Sienna's LTC NOI. Further contributing to our strong year-over-year results were high average occupancy levels of 98.4%, retroactive funding from the Government of British Columbia, as well as higher preferred accommodation revenues.

Sienna's LTC Same Property NOI contributed approximately 55% to the Company's total Adjusted NOI in Q4 2024.

Continued Improvements to LTC Platform

Sienna's LTC platform is deeply aligned with the Company's purpose of Cultivating Happiness in Daily Life and is based on our belief that happiness drives wellness.

Our goal is to increase the quality of life of residents by providing holistic and integrated care and by elevating their experience with respect to dining, recreation and community-focused interactions, in addition to improving their move-in experience.

Circle Platform – In 2023, Sienna launched an updated LTC platform called Circle. The platform design is based on best practices and the input from residents and families, with the aim to distinguish Sienna as a LTC provider of choice. Sienna's Circle approach puts the resident at the centre of everything we do.

The first two pillars of the Circle platform – "**Settle In**" and "**Savour It**" – were launched in 2023. Major programs under these pillars are an updated Move-In Guide, as well as a Culinary Academy and Circle Café. The remaining two pillars – "**Stimulate**" and "**Socialize**" – were launched in 2024. The Stimulate pillar is designed to empower residents to pursue their interests and share their passions and talents by participating actively in the community. Under the Socialize pillar, a multidisciplinary team has gathered best practices to create a program designed to enhance the quality of visits between residents and their families.

Government Funding and Policy Update

Ontario

Ontario funding increases – the Government of Ontario made substantial funding increases in the long-term care sector in 2024, including

- up to \$1.8 billion to help connect residents to more hours of direct care per day, as set out in the *Fixing Long-Term Care Act, 2021*. This is a \$571 million increase over last year;
- a \$353 million, or approximately 6.6%, increase to the level of care funding effective as at April 2024 to help homes continue to connect residents to specialized care, programs and meals, including
 - an approximate 4.5% increase in its flow-through funding, which covers the cost of care, nutritional support and programs provided to residents; and
 - an 11.5% increase in Other Accommodations funding to offset inflation in recent years and support the increased costs of resident accommodation, comfort and safety.

The significant improvement to the level of care funding has supported Sienna in adding hundreds of important care staff positions during the second half of 2024.

- \$155.5 million to fast-track the construction of new or redeveloped long-term care homes in 2024, including
 - an extension of the Construction Funding Subsidy (CFS) top-up until November 30, 2024 of up to \$35 per bed, per day, for 25 years; and
- a one-time payment of \$2,543 per eligible long-term care bed as of March 1, 2024 to be applied against eligible expenditures to address key priorities such as building compliance, deferred maintenance and proceeding with development and redevelopment projects. With respect to Sienna's share of approximately \$13.4 million, approximately \$10.1 million relates to 2023, with the balance of approximately \$3.3 million relating to Q1 2024.

Combined, these funding increases are expected to have a lasting impact on the well-being of Ontario's seniors and the stability and growth of Sienna's long-term care segment.

Ontario funding changes with respect to 3rd and 4th beds in multi-bed rooms - During Q4 2024, the Ministry provided an update with respect to Sienna's 3rd and 4th beds in Ontario. The Company was advised that it would continue to receive full funding for the Other Accommodations ("OA") per diem until March 31, 2026. OA funding includes funding for dietary services, housekeeping, laundry services, building/property operations and maintenance and more, and needs to generate sufficient cash flow to fund routine capital maintenance, interest and principal payments on debt, income taxes and provide a return on equity.

In addition, the Ministry confirmed that funding for nursing and personal care as well as nutritional support, which was reduced to 50% from April 1, 2023 to March 31, 2024, with further reductions to 25% from April 1, 2024 to March 31, 2025, will not be extended past March 31, 2025. As a result, effective as of April 1, 2025, we will no longer receive any funding for nursing and personal care as well as nutritional support with respect to these 3rd and 4th beds.

Sienna has approximately 350 3rd and 4th beds in Ontario, of which 96 beds will be re-opened in private and semi-private rooms in our three redevelopment projects currently under construction. The Company is grateful to the Ontario government for its important decision to protect the full OA funding for the 350 beds, which is currently \$66.56 per bed/per day until March 31, 2026.

Ontario licence renewals - In January 2025, the Ministry issued new five-year licences for all of of Sienna's Class C long-term care homes not currently under redevelopment, whose current term is expiring on June 30, 2025.

British Columbia

British Columbia retroactive government funding announcements - The British Columbia Ministry of Health has been providing funding for incremental costs associated with COVID-19 prevention and containment and PPE to long-term care homes in the province. Following substantial retroactive funding to cover eligible expenses incurred during the funding periods from April 2021 to March 2022 and April 2022 to March 2023, the Ministry confirmed additional retroactive funding in Q4 2024 for the period from April 2023 to March 2024.

Throughout these periods, Sienna experienced significant financial pressures as a result of out of pocket expenses to ensure the health and safety of its residents. This retroactive funding effectively addressed all previously uncovered expenses the Company incurred for COVID-19 prevention and containment measures between April 2021 and March 2024. In total, Sienna recognized approximately \$16.1 million of retroactive funding in 2024, including \$13.6 million in Q1 2024 and \$2.5 million in Q4 2024.

Staffing Update

As part of our strategic objectives, we aim to offer a compelling team experience and nurture a purpose-driven culture. We believe that the appeal of our purpose, vision and values differentiates Sienna from competitors and helps us attract and retain a highly engaged workforce and build a talent pipeline amid staffing shortages in the senior living sector and the wider health care sector. These efforts contributed to a decrease in team member turnover year-over-year of more than 30% in 2024. This marked the second consecutive year of substantial improvements in retention - a key priority at Sienna.

Staffing Strategy

We continued with our proactive staffing strategy to limit our reliance on agency staff and to position Sienna well for the gradual increase in direct hours of care across the long-term care platform. These significant improvements have resulted in the ongoing reduction of agency costs.

Agency Staffing Costs

With respect to staffing costs, a combination of a significantly improved operating environment and our ability to fill shifts with Sienna's own team members, in addition to rate reductions for agency staff have led to a continued reduction of agency staffing costs in 2024. During the fourth quarter of 2024, agency cost were \$3.4 million, a \$2.4 million year-over-year reduction.

For the full year of 2024, agency costs were \$17.5 million, compared to \$26.9 million in 2023. Minimizing agency staffing costs, which are predominately covered by the government's flow-through funding for resident care, remains a key objectives for Sienna.

Improved Onboarding Process

We have made improvements to our onboarding process, including enhancements to team member orientation, mentoring and a more streamlined pre-boarding process across our LTC communities. A key

aspect of these changes is an enhanced multi-day orientation program for Executive Directors, PSWs and clinical leaders, which is expected to improve team member engagement and help reduce turnover.

Campus Recruitment Campaigns

As part of our ongoing talent acquisition strategy, we continually expand our collaboration with educational and government institutions. We further enhanced our campus recruitment campaigns at key colleges and universities across Ontario and British Columbia to ensure a talent pipeline for future staffing needs. Our collaboration with colleges and universities has resulted in approximately 2,500 student placements in 2024, many of whom we hope to hire once they graduate.

SPARK

Based on feedback from team member satisfaction surveys, team members seek opportunities to share their ideas. As a result, Sienna created SPARK, a program that allows team members to share ideas on how Sienna can grow, improve and fulfil its purpose of Cultivating Happiness in Daily Life. A small number of the submitted ideas are piloted with the most outstanding being rewarded with cash prizes of up to \$15,000. During the most recent round of submissions, 144 ideas were submitted with the finalists being announced in Q1 2025.

Sienna Ownership and Reward Program

The Sienna Ownership and Reward Program ("**SOAR**") awards common shares of the Company to all permanent employees who have been with the Company for one year or longer. Eligible team members have the opportunity to receive a one-time award of Sienna shares. To date, shares have been awarded to thousands of team members, including nearly 1,400 team members who received shares during the most recent round of awards in May 2024.

Team Member Engagement

In September 2024, Sienna conducted its most recent annual employee satisfaction survey, a third-party survey that allows team members to voice their opinions. Feedback from these surveys provide insights concerning team members' level of engagement. It also allows Sienna to build and implement action plans to improve engagement and enhance the team member experience.

2024 was the fourth consecutive time Sienna's employee engagement score increased, with significant improvements across engagement drivers, demonstrating the positive impact of our ongoing efforts to foster a more engaged and connected workplace. In addition, the survey participation exceeded 80%, the highest participation rate to date at Sienna, and a significant improvement from the prior years.

Sienna's continued focus on enhancing team member engagement and reducing agency staffing has contributed to the notable improvement in team member retention and the significant stabilization of our business operations.

Resident Satisfaction

Resident & Family Satisfaction Surveys

At both our retirement residences and long-term care communities, we measure our residents' likelihood to promote our residences and communities based on the internationally recognized net promoter score method ("NPS").

We had good engagement with respect to our platform-wide NPS surveys to date, with excellent participation from both residents and families. An in-depth analysis of the survey results has provided important insights on what it takes to improve our residents' happiness in daily life. It also helps us identify areas for improvement and prioritize operational changes.

Since its introduction in 2023, we have seen notable improvements in the results across both operating platforms.

SPARKLE

Aligned with Sienna's purpose and values, we introduced the Sienna Sparkle Award, which honours residents from both our retirement and long-term care homes who go above and beyond to help cultivate happiness and create community. Nominations can be made by team members, residents and family members. Since the initiation of this program in early 2024, over 370 submission have been made to date with more than 70 residents having received awards.

Outlook

Long-term fundamentals in Canadian senior living are strong, fueled by the rising needs of seniors, who make up the fastest-growing demographic in Canada, and limited new supply of senior living accommodations.

Looking ahead, we will continue to leverage these outstanding sector dynamics as we grow through portfolio optimization, achieve retirement occupancy improvements towards our 95% target and drive retirement NOI and margin growth. In addition, our redevelopment initiatives in Ontario, with two projects expected to be completed and operational in the second half of 2025, along with nearly \$300 million of accretive acquisitions under contract, all give us strong confidence with respect to Sienna's growth outlook for 2025 and beyond.

Retirement Operations

Average occupancy in the Company's Same Property portfolio was 92.9% in Q4 2024, a 300 bps increase year-over-year and a 110 bps increase since Q3 2024. Our sales platform and intensified focus on generating strong interest in our residences, as well as continued improvements to our operations and exceptional supply/demand fundamentals supported this significant occupancy improvement and put us on our path to achieving stabilized occupancy of 95% within the next 12 months. Occupancy improved further to 93.1% in January 2025, and lead indicators, including qualified leads and tours, remain strong.

Going forward, we will continue to focus on expanding the Company's Adjusted NOI with our concentrated marketing and sales initiatives, as well as our asset optimization efforts. We are targeting year-over-year adjusted Same Property NOI growth in our retirement portfolio to be approximately 10% in 2025 as a result of occupancy growth and rate increases. We are further targeting margin growth in our Same Property portfolio of approximately 100 – 150 bps in 2025 compared to 2024.

Asset Optimization Initiatives

Sienna believes that there is a significant opportunity to create value through its asset optimization initiatives at certain properties. These initiatives target a better market fit and include renovations, the changes in suite mix, additional services or the alternative use of a property to reflect the evolving needs of residents. By optimizing our existing portfolio, we expect to unlock substantial NOI growth while modernizing Sienna's asset base.

We have identified five retirement residences that are well suited for repositioning in the near term. With a current average occupancy rate of approximately 76%, these assets are expected to make a significant contribution to Sienna's overall NOI growth, once repositioned.

Long-Term Care Operations

The Government of Ontario's increase to Other Accommodations funding to offset inflation in recent years, which covers the costs of resident accommodation, comfort and safety, became effective as of Q2 2024 and has helped to support the significant year-over-year increase in Sienna's LTC NOI. Further contributing to our strong results were high occupancy levels and higher preferred accommodation revenues.

In 2025, we expect to continue to benefit from a stable operating environment, fully occupied homes and our successful cost management strategy. As a result, we expect our 2025 LTC adjusted Same Property NOI for the full year, excluding one-time and retroactive funding amounts of \$26.1 million and a WSIB refund of \$3.0 million recognized in 2024, to increase in the low single digits, in line with inflation.

Developments

Sienna currently has three projects in North Bay, Brantford and Keswick under development, which are expected to exceed \$300 million.

The following table summarizes development projects that were in progress in Q4 2024:

Projects	Property Type	Expected Completion	Number of Beds / Suites	Estimated Development Costs	Development Grant	Annual Construction Subsidy ⁽¹⁾	Expected Development Yield
Brantford	LTC / Retirement	Q4 2025	160 / 147	\$140M	\$4.0M	\$3.3M	8.5 %
North Bay	LTC	Q4 2025	160	\$80M	\$4.0M	\$3.3M	8.0 %
Keswick	LTC	Q1 2027	160	\$87M	\$8.2M	\$3.5M	8.5 %
Total			480 / 147	\$307M	\$16.2M	\$10.1M	

Notes:

1. Total amount receivable each year over a period of 25 years.

The Government of Ontario's commitment in its 2024 budget to significant new investments in the long-term care sector affirmed our strategy to enhance and expand our long-term care platform and maintain a diversified portfolio of long-term care communities and retirement residences.

Once completed and fully operational, our three development projects are expected to have a significant impact on our operating results and improve our net incremental AFFO/share on average by approximately 3%.

Capitalizing on long-term fundamentals

We intend to capitalize on the outstanding long-term fundamentals in Canadian senior living and our business. We will continue to focus on adding value to our operating platforms by making ongoing improvements to resident experience and team member engagement, as well as our asset optimization initiatives.

In addition to our ongoing initiatives to generate occupancy improvements and rental rate increases in our retirement segment, we will also remain focused on cost management by creating operational efficiencies and by minimizing our reliance on agency staffing. Combined, these initiatives will support our operating margins and put us in a strong position to take advantage of the favourable supply and demand fundamentals across our key markets.

Significant Potential for Growth in Adjusted NOI

We see significant growth potential in our business over the next several years and are actively working on a number of initiatives which may contribute to the Company's Adjusted NOI expansion including:

- **Occupancy growth in the Company's retirement segment**, including incremental Adjusted NOI as we move towards our target for stabilized average occupancy of 95.0% in our same-property portfolio. This would represent a 210 bps increase from our average occupancy of 92.9% in Q4

2024, supporting rental rate growth in line with market rents and targeted margin growth of 100 - 150 bps in 2025.

- **Contributions from acquisitions, asset optimization and new developments**, including incremental Adjusted NOI from:
 1. The Elgin Falls Retirement Residence, completed in late 2023 for \$38.5 million with respect to the Company's 70% joint venture interest, which has an Expected Development Yield of approximately 7.5%; in addition, the Company has the ability to acquire the remaining 30% ownership interest, once the property is fully stabilized;
 2. The Company's five assets identified to be repositioned as part of its asset optimization initiatives;
 3. The Company's acquisition of its remaining interest in Nicola Lodge, expected to generate an investment yield of 6.75%;
 4. The Company's development projects in North Bay, Brantford, and Keswick, once completed and operational;
 5. The contributions from the Company's Acquisition in Alberta, expected to generate an approximate 6.5% investment yield once stabilized following the closing of the transaction at the end of Q1 2025, with potential additional upside; and
 6. The contributions from the Company's acquisition of a retirement residence in Ottawa and a long-term care community in the GTA, expected to generate approximate investment yields of 6.25% and 6.75%, respectively.

These initiatives, individually and collectively, could have a significant positive impact on the value of Sienna's business, enhancing its financial performance with growth in Adjusted NOI and OFFO, and supporting the Company's AFFO payout ratio.

Significant Events

Issuance of \$144 Million of Common Shares

On August 28, 2024, the Company announced the completion of its equity offering. A total of 9,591,000 common shares were issued at a price of \$15.00 per share for aggregate gross proceeds of \$143,865,000. This includes gross proceeds from the full exercise of the over-allotment option granted to the Underwriters to purchase an additional 1,251,000 Common Shares.

Acquisition of Four Continuing Care Homes in Alberta

On October 16, 2024, as outlined in detail in the Business Update section of this MD&A, the Company entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat for an aggregate purchase price of \$181.6M. The Acquisition is expected to be completed in early 2025.

Issuance of \$150 Million of Series D Senior Unsecured Debentures

On October 17, 2024, the Company issued a \$150 million aggregate principal amount of series D senior unsecured debentures ("**Series D Unsecured Debentures**"). The Series D Unsecured Debentures bear interest at a rate of 4.436% per annum, payable semi-annually in April and October of each year maturing on October 17, 2029.

Proceeds from this issuance were used to redeem Sienna's maturing \$150 million aggregate principal amount of series A senior unsecured debentures ("**Series A Unsecured Debentures**"), which matured on November 4, 2024.

Subsequent Events

\$48.0 Million Acquisition of Contemporary Retirement Residence

On February 10, 2025, the Company entered into a purchase agreement to acquire Wildpine Residence, a 165-suite retirement residence consisting of 119 independent living (IL) and 46 assisted living (AL) units in Stittsville, Ontario, a suburb located in Ottawa's west end for an aggregate purchase price of \$48.0 million, subject to certain customary adjustments. The property's occupancy is stabilized and is expected to benefit from the rapidly improving supply-demand fundamentals in the Ottawa market.

The acquisition will be financed through the assumption of approximately \$25.0 million of CMHC insured debt and the remainder through use of general corporate funds.

The transaction is subject to regulatory approvals and customary closing conditions, and is expected to close in mid-2025.

\$32.6 Million Acquisition of Class A Long-term Care Community

On February 14, 2025, the Company entered into a purchase agreement to acquire Cawthra Gardens, a 192-bed Class A long-term care home in Mississauga, Ontario for a gross purchase price of \$32.6 million, subject to certain customary adjustments and a \$2.0 million capital allowance which the Company plans to use within the first twelve months after closing. Building on our existing long-term care portfolio, Cawthra Gardens will leverage our well-established operating platform to drive synergies. In addition, the high wait list for long-term care homes and constrained supply, make this three-storey home comprising 120 private beds and 72 basic beds a very attractive investment opportunity.

The acquisition will be financed through use of general corporate funds. The transaction is subject to regulatory approvals and customary closing conditions, and is expected to close in early 2026.

Our Purpose, Vision and Values

Our Purpose:

Cultivating happiness in daily life.

Each of our actions and initiatives affects our residents' quality of life and well-being and impacts our team members and the communities we serve across the country. This is at the heart of what we do and is reflected in Sienna's purpose. It conveys our belief that our role does not stop at providing the highest quality of service and care to our residents - it goes much further. Each and every day, we will strive to bring happiness into our residents' lives by enabling our team to put their passion for their work into action and supporting families to bring joy into our homes.

Our Vision is to be:

Canada's most trusted and most loved senior living provider.

In retirement and long-term care, we are committed to helping residents discover happiness through personalization, choice and community engagement in a comfortable, home-like setting. Doing this each and every day supports Sienna's vision to be Canada's most trusted and most loved senior living provider. With this vision, we will meet the needs and expectations of our residents, families, team members and the communities we serve.

Our Values:

Act positively: We inspire happiness and hope in the people around us

Be accountable: We do what we say we will and work as a team to get things done

Create community: We foster strong relationships and celebrate diversity

Demonstrate caring: We are passionate about what we do and engage with empathy and understanding

Company Strategy and Objectives

Sienna's strategic objectives are centered around the following three pillars:

Strengthening Team Engagement

Sienna strives to recruit, retain and develop a high performing and engaged team and reduce voluntary turnover by:

Offering a compelling team experience

- Conduct team member engagement surveys to gain insights and identify opportunities to enhance team member experience;
- Design, develop and introduce an essential program for new and developing frontline managers;

- Offer learning and development growth to support orientation, onboarding and enhancements to operating platforms; and
- Increase talent pipeline in leadership roles.

Creating a purpose-driven, differentiated culture

- Align employer brand with Company's purpose, vision, values and value proposition; and
- Implement and maintain initiatives, such as team member recognition programs and education with respect to the Company's values, aimed at building a purpose-driven culture.

Elevating Quality of Life of Residents

Sienna aims to elevate the quality of life of its residents by:

Offering outstanding resident experience

- Enhance dining, recreation and community-focused interactions through rebranded operating platforms;
- Improve quality of care by leveraging insights from quality indicators, clinical reviews and inspection reports;
- Enhance clinical care offerings at retirement residences to support an increasing number of residents in need of support with daily living and healthcare; and
- Collaborate with all levels of government, sector associations, regulatory authorities and others to help shape and improve the future of senior living in Canada.

Achieving operational excellence

- Invest in Sienna's team culture and operating platform to deliver quality resident experiences;
- Create operating efficiencies by streamlining processes to enhance resident experience and improve operating results; and
- Distinguish retirement product and services from competitors through the Company's Aspira platform, offering customer-centric personalization and expanded choices.

Achieving Growth & Enhanced Performance

Outperforming the market

- Grow organically through investments in sales and marketing programs, supporting improved occupancy, expanded services, rental rate increases and focused cost management;
- Grow through asset optimization initiatives, including renovations, repositioning and intensification
- Maintain a diversified portfolio of private-pay retirement residences and government-funded long-term care communities; and

- Maintain a strong balance sheet and liquidity, including a diversified debt portfolio with staggered debt maturities, an investment-grade credit rating and a sizeable pool of unencumbered assets.

Growing the Company's footprint

- Redevelop older LTC communities in key Ontario markets with both new and upgraded facilities;
- Establish and deepen joint venture partnerships to provide additional avenues for growth; and
- Expand high-quality portfolio through strategic and disciplined acquisitions, joint venture developments, as well as growing capacity at existing retirement residences with excess land.

Environmental, Social and Governance (ESG) Responsibility

Sienna's commitment to corporate social responsibility is highlighted in our continued enhancements of the Company's ESG initiatives and disclosures, including Sienna's 2023/2024 ESG Report published on August 8, 2024. For more information on Sienna's ESG initiatives, please refer to the ESG section on Sienna's website under <https://www.siennaliving.ca/investors/esg>.

ESG practices across Sienna's operations have long been integrated into our overall strategy and daily business practices and are reflected in our actions and initiatives, each of which affect the quality of life and well-being of our residents, their families and our team members.

Diversity, Equity and Inclusion

A Diverse and Inclusive Workforce

Gender - Sienna's total workforce is predominantly female, with approximately 86% of our team members being female. The high percentage of women in our workforce is also reflected in our management team with over 70% of the Company's over 400 leadership positions being held by women.

Gender equality also extends to Sienna's Board of Directors who has been committed to increasing female representation on its board. To date, 43% of Sienna's Board of Trustees, including its Chair, are women.

Sienna has been recognized for the fourth consecutive year in the Globe and Mail's 2024 "Women Lead Here" for its commitment to gender diversity and support of female leaders.

Age - Sienna's workforce is equally distributed between the age ranges of under 35, 35 – 50, and over 50, with approximately one third of our team members in each of these age groups.

Sienna Ownership and Reward Program

SOAR was launched to recognize the compassion, effort and dedication that team members bring to Sienna's residents and communities every day. Through this ownership and reward program, team members are further invested in making Sienna a leader in seniors' quality of life and at the same time, have the opportunity to meaningfully invest in the Company and in their future.

SOAR awards common shares of the Company to all permanent employees who have been with the Company for one year or longer. To date, shares have been awarded to nearly 7,000 team members.

Labour Relations and Union Representation

Labour rights are an important consideration with respect to Sienna's human capital management strategies. Sienna's labour strategy is focused on educating management teams at our local communities, cultivating strong relationships with union stakeholders and aligning our collective agreements to our long-term operational strategies.

We respect our team members' rights to unionize, Sienna has a strong, positive relationship with union leaders and a good working relationship with union representatives at its owned and managed residences.

Sienna's support of freedom of association and the right to collective bargaining is evidenced by the level of unionization in our residences, which includes over 100 collective bargaining units and a unionization rate of approximately 84% among our team members.

Excluding management positions, this number would be even higher with nearly 90% of all non-management team members being represented by a union, and whose compensation is determined by collective bargaining agreements.

Health, Safety and Wellness Programs

Promoting health and safety is fundamental to Sienna's culture and business and takes into consideration the many aspects of our team members' health and wellness through a number of initiatives and programs. One of the programs made available to team members in 2024 are Telus Health Webinars.

Giving Back to the Community

*Sienna for Seniors Foundation ("**Foundation**")*

The Foundation was formed in April 2021 as part of Sienna's ongoing commitment to support the communities it serves across Canada. It allows us to raise funds and make donations to a variety of important seniors-related initiatives.

In 2024, the Foundation received support from external partners, strengthening its ability to support seniors' charities in the communities we serve. This allowed us to issue grants to many impactful organizations, including Concerts in Care, an organization that brings world-class musicians into senior living settings to let seniors experience the joy of live music, the Ontario Tech University, and the Saskatchewan Council on Aging. Sienna will continue to partner with Canadian charities in 2025 to support their impactful work. As part of this process, Sienna relies on our team members from across Canada to identify charities doing impactful work in their communities.

With food insecurity a pressing concern, one of the Foundation's ongoing initiatives is "Sienna Supper". Spearheaded by Sienna's communities and made possible through a key partnership with Second Harvest, team members provide fresh and nutritious meals to help nourish seniors and others in need in the communities we serve. Through this initiative, thousands of meals have been donated to date.

Sienna Senior Living Dino Chiesa Scholarship

In August 2022, we announced the Sienna Senior Living Dino Chiesa Scholarship. Endowed with \$50,000, scholarships are awarded to Sienna employees enrolled in an accredited Canadian Personal Support Worker (PSW), Health Care Aide (HCA), or Continuing Care Assistant (CCA) education programs.

In Q4 2024, two scholarships were awarded, adding to the seven scholarships awarded in 2022/2023, as we continue to support team members who strive to achieve career growth in the healthcare sector.

Improving Sienna's Environmental Footprint

Addressing Climate Change through Development

Our development plans are an opportunity to address climate change in both the Company's existing residences and the development portfolio as we adopt environmentally-friendly designs and install energy-efficient features, all with the goal of significantly reducing the environmental footprint of these homes.

The development plans include energy-efficient heating and cooling systems, LED lighting and updated energy-efficient windows and fixtures.

Committing to Waste Reduction by Going Paperless

Reducing the amount of paper use and ultimately “going paperless” is an important aspect of Sienna’s waste reduction strategy. Team members are encouraged to minimize the use of physical paper whenever possible. Recent achievements include going digital with respect to all accounts payable invoices and frequently updated policy and procedure manuals at our care communities and retirement residences.

Exploring Alternatives to Divert Food Waste Away from Landfills

We have been exploring several alternatives to divert food waste away from landfills and are always looking for opportunities to create operational efficiencies to further reduce food waste. Based on an idea from a team member who participated in Sienna’s SPARK program, we have been working with Second Harvest since 2023 to redistribute excess food from our residences that would have otherwise been disposed of to Canadians living with food insecurity. Through this initiative, thousands of meals have been donated to date.

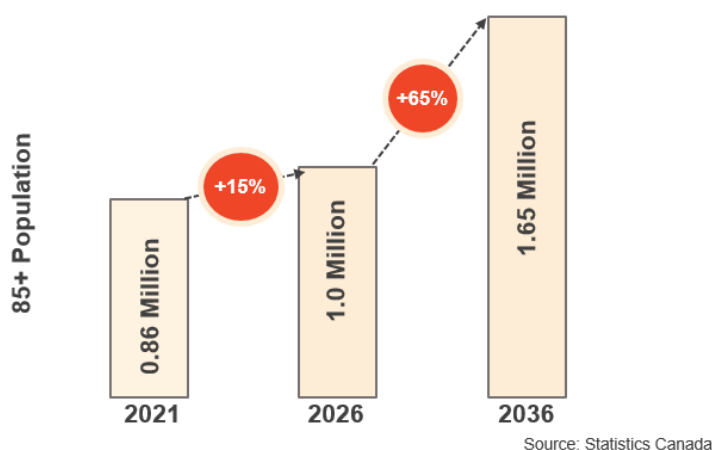
Planting Pollinator Gardens

Team members, residents and family members have embraced sustainability initiatives at Sienna's retirement residences by planting pollinator gardens, which play a critical role in preserving biodiversity at a time of declining pollinator populations. Pollinators, such as butterflies, bees and birds, are not only essential to ecosystems but also play a critical role in the world's food production.

Industry Update

Demand for senior living is driven by an aging population. According to Statistics Canada, the cohort of seniors aged 85 and older is expected to grow to approximately one million by 2026. This number is projected to increase by an additional 65% over the following 10 years as a result of baby boomers reaching retirement age and life expectancy continuously increasing. In Canada, more than one quarter of the population aged 85 and older lives in some form of congregate care setting, such as a nursing home, long-term care or retirement residence.

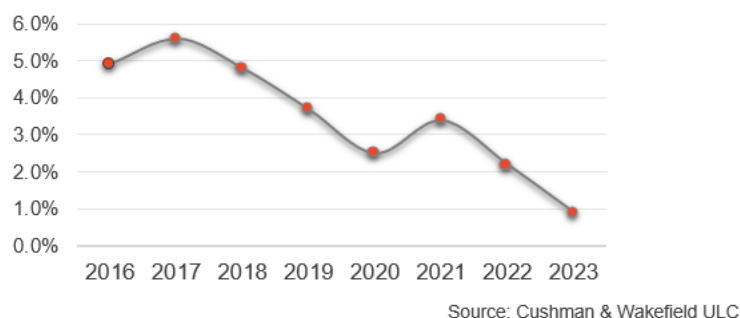
The chart below highlights the projected population growth of seniors aged 85 or older in Canada:



Slowing Supply of Retirement Residences

Due to a combination of factors, including rising construction costs and interest rates, new construction activity of retirement residences in Canada has declined significantly in recent years. While development prior to the pandemic caused some headwinds in several regions across the country due to oversupply, slowing development activity since 2018 is resulting in less competition from newly completed developments and is expected to support continued occupancy growth in Canadian senior living.

The chart below highlights construction starts as percent of the total seniors' housing inventory in Canada:



Robust Fundamentals in Sienna's Key LTC Markets

Demand for long-term care beds is higher than ever, with long waiting lists and increasing pressure on hospital systems. In Ontario, an estimated 45,000 people are waiting for long-term care. This waitlist is expected to continue to grow, according to the Ontario Long-Term Care Association ("OLTCA"). Similarly, there is strong demand for LTC beds in British Columbia and continuing care spaces in Alberta.

High Barriers to Entry

The senior living sector in Canada continues to be fragmented and highly regulated, with significant barriers to entry. The sector is regulated by provincial governments and regional health authorities, with growing

and varied obligations placed on operators. Additionally, the sector requires an increasingly complex level of specialized expertise and a solid operating platform in order to succeed in meeting regulatory requirements and providing positive resident and family experiences. All LTC and Retirement residences require an approved licensed operator.

Senior Living Continuum

Private-pay vs. Funded Care

Retirement residences are privately funded by the residents who are responsible to cover their monthly rent and cost of services. In long-term care, most residences are funded by the provincial governments. Residents' monthly rent is typically subsidized and the care they receive is fully funded. Select long-term care residences across Canada also offer private-pay options.

Senior living residences provide a range of services and programs based on an individual's needs and level of independence. Seniors who enjoy a high level of independence and require little assistance with the activities of daily living may choose to live in seniors' apartments or condominiums with minimal or no assistance or with the option of care and services on an as-needed basis, while those who require extensive assistance with the activities of daily living, healthcare needs and access to 24-hour nursing care support are best suited to LTC. A general and broad description of the services is detailed below:

- **Independent Living ("IL"):** IL provides the privacy and freedom of home combined with the convenience and security of on-call assistance and a maintenance-free environment. Residents typically have the option of purchasing à la carte services including meal packages, housekeeping, transportation and laundry. It is typically apartment-style accommodation with a full kitchenette and is private-pay. Tenure may be rental or some form of ownership, such as condominium or life lease.
- **Independent Supportive Living ("ISL"):** ISL is designed for seniors who pay for services such as 24-hour response, housekeeping, laundry, meals, transportation and accommodation as part of a total monthly private-pay fee or rental rate. These residents require little or no assistance with daily living activities but benefit from the social setting and meal preparation. Some residences include a minimum amount of daily care but primarily this level of accommodation is for the senior who can live more independently with the option of additional care and services available on an as needed basis. Accommodation is studio, one or two bedroom units with kitchenettes.
- **Assisted Living ("AL"):** AL is intended for seniors who need assistance with daily living activities but do not require skilled nursing care. While most of AL is provided as private-pay, residents may qualify for government-funded home care services, depending on provincial funding models.
- **Memory Care ("MC"):** MC serves seniors with memory impairment, Alzheimer's or other forms of dementia. Mild cases of dementia are typically suitably addressed within secure AL accommodation suites in a dedicated area within the residence, or more broadly throughout the residence. Moderate to severe cases require dedicated accommodation suites and specialized and more intensive care.
- **Long-term Care:** LTC is for those who are not able to live independently and require assistance with the activities of daily living and care, including skilled nursing care on a daily basis. Eligibility for

access to a LTC home is based on a person's assessed care requirements and is determined and arranged through government agencies. The resident pays for the accommodation as set by the government and the government typically pays for care, programs and supplies. In most provinces, there is a waiting period for access to LTC accommodations. In certain provinces, there are also LTC homes providing entirely private-pay accommodations and are subject to the same regulatory oversight.

Retirement Residences

Retirement residences focus on IL, ISL, AL, and in some cases MC, and generally provide studio, one-bedroom or two-bedroom accommodation suites and amenity space. Suites are rented to residents on a monthly basis, and provide for meals, snacks, leisure activities, transportation and AL services, which include some care and services based on resident needs and preferences (such as assistance with bathing, medication administration and other activities of daily living). Accommodation and services are private-pay based on market rates.

The retirement sector requires that a residence must be licensed to operate. Further, expansion of retirement residences or new development require feasibility studies, which support that there is adequate income qualified demand for any given community to accommodate additional retirement residence capacity. Feasibility studies and proven demand are required for financing. The regulations and operational nature of the business and licensing requirements pose increasing barriers of entry.

Long-term Care

The LTC sector in Ontario and British Columbia, Sienna's key markets, is comprised of a number of private operators, public sector operators and not-for-profit organizations offering a variety of services similar to those offered by the Company. The sector has experienced consolidation in recent years, which is expected to continue, although it remains fragmented with small operators (including not-for-profit operators) providing most of the beds.

The LTC sector, which provides essential health services to its communities, can be distinguished from other segments of the senior living sector based on a number of factors, including the following:

- **Provision of an essential service:** LTC residences provide essential health services in the form of 24-hour registered nursing support, assistance with activities of daily living and mobility, to individuals with complex physical and medical care needs who may otherwise require hospital care.
- **Significant barriers to entry:** Barriers to entry are both regulatory and operational. The LTC sector requires that a residence and operator must be licensed by the regulatory authority in order to operate. In addition to the regulatory barriers to entry, the successful operation of a LTC residence requires a broad range of specialized expertise.

LTC Financial Model

All aspects of the operation of LTC are highly regulated by provincial government and regional health authorities. In British Columbia and Ontario, the two provinces where the Company operates LTC homes,

and Alberta, where Sienna is expected to start operating LTC homes, access to LTC is controlled through a government agency based on eligibility. Provincial health programs provide funding for certain care services, with the residents contributing a co-payment (the rate is set by the regulatory body). Since each province establishes its own system for carrying out the oversight of LTC residences and administering programs, there are differences in the regulations governing care providers, as well as in the actual funding programs.

Ontario

Licensed operators of Ontario LTC residences are entitled to operational funding for care services to residents, as well as various other payments from the MLTC. Operational funding of LTC residences is used to fund certain eligible care services and is currently paid monthly in what is known as flow-through "envelopes". Generally, a licensed LTC operator is funded the 'level-of-care' per diem for every licensed or approved bed in the residence.

Funding received for flow-through envelopes in excess of the amounts spent by the operator must be returned to the MLTC during an annual reconciliation process. Funding provided pursuant to flow-through envelopes may only be applied to certain eligible expenses.

British Columbia

Funded LTC Beds

The funding contracts between LTC operators and the applicable health authorities in British Columbia are on a per diem basis, adjusted annually, for resident services provided and capital cost of the residences, and outline the hours of direct care required by a resident per day, minimum occupancy thresholds and minimum levels of professional staffing.

Private-Pay Long-term Care Beds

In British Columbia, operators may designate a number of beds for private-pay LTC whereby the operator provides the same level of care and services to the resident as in the funded beds. Rates paid by the resident are market driven and the beds are subject to the same regulations and inspection as funded LTC beds.

Alberta

Alberta's Continuing Care System offers a range of services to support individuals with varying health and personal care needs due to aging, disability, or chronic conditions. It provides services along a continuum, from independent living with some support to highly specialized care.

Sienna's four acquisition properties in Alberta fall under Continuing Care Homes Type B. They offer 24-hour care, assistance with daily activities, medication management, meals, social and recreational activities, and access to medical services.

The Government of Alberta (Alberta Health Services) will pay for the services assessed as required by a case manager, with residents paying an accommodation fee to cover their room rental and services including meals, housekeeping and building maintenance. The accommodation fee is set by the Government of Alberta each year, and gets adjusted for inflation.

Business of the Company

Please refer to the Company's current AIF for a discussion of the Business of the Company.

Quarterly Financial Information

Thousands of Canadian dollars, except occupancy, per share and ratio data	2024				2023			
	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1 ⁽¹⁾	Q4	Q3	Q2	Q1
Total Adjusted Revenue	246,265	224,775	219,487	239,384	218,863	199,840	198,343	199,611
Total Adjusted Operating Expenses, net of government assistance	199,607	181,326	173,477	175,895	180,659	162,003	159,438	163,302
Net income (loss)	7,860	4,728	6,086	19,729	432	2,479	4,467	(340)
Per share basic and diluted	0.095	0.060	0.083	0.270	0.006	0.034	0.061	—
OFFO	29,432	23,877	26,081	36,729	22,112	20,069	21,443	18,447
Per share basic	0.356	0.312	0.357	0.503	0.303	0.275	0.294	0.253
AFFO	25,084	20,351	22,433	35,359	17,756	19,612	19,582	18,187
Per share basic	0.304	0.266	0.307	0.485	0.243	0.269	0.268	0.249
Dividends declared	19,332	18,578	17,080	17,074	17,074	17,074	17,072	17,068
Per share	0.234	0.234	0.234	0.234	0.234	0.234	0.234	0.234
Occupancy								
Retirement - Average Same Property	92.9 %	91.8 %	90.6 %	89.9 %	89.9 %	88.2 %	87.9 %	89.0 %
Retirement - Average - Growth and Optimization ⁽²⁾	71.4 %	67.2 %	65.4 %	65.8 %	77.1 %	78.9 %	78.9 %	78.9 %
Retirement - Average - Optimization	76.4 %	73.7 %	73.7 %	74.9 %	77.1 %	78.9 %	78.9 %	78.9 %
Retirement - Average - Growth	49.8 %	38.9 %	29.4 %	13.1 %	— %	— %	— %	— %
Retirement - Average total occupancy	89.8 %	88.2 %	87.0 %	86.6 %	88.4 %	87.1 %	86.8 %	87.8 %
LTC - Average private occupancy	97.7 %	96.5 %	98.4 %	95.9 %	93.3 %	93.8 %	92.6 %	88.1 %
LTC - Average total occupancy ⁽³⁾	98.4 %	98.4 %	98.5 %	97.5 %	97.5 %	98.1 %	97.8 %	96.6 %
Debt to adjusted gross book value as at period end	41.1 %	42.3 %	43.7 %	44.3 %	44.6 %	44.4 %	44.0 %	44.5 %
Debt to Adjusted EBITDA as at period end	6.4	7.0	6.8	7.1	8.4	8.3	8.0	8.8
Interest Coverage Ratio	3.4	3.4	3.7	5.4	3.4	3.3	3.5	3.2
Total assets	1,859,807	1,909,523	1,712,579	1,700,083	1,695,343	1,681,167	1,675,614	1,681,045
Total debt	1,012,345	1,058,030	1,006,617	1,008,067	1,006,649	994,112	988,938	999,258
Weighted average shares outstanding	82,605,054	76,543,993	72,978,178	72,967,166	72,967,166	72,967,166	72,949,215	72,939,941

Note:

- Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.
- Effective as of Q4 2024, "Growth and Optimization" portfolio, previously referred to as "Acquisitions, Development and Others" includes five retirement residences that are undergoing repositioning under asset optimization initiative, and Elgin Falls retirement residence in Niagara Falls currently in the process of being leased effective January 24, 2024.
- Excludes the 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.

The Company's quarterly financial results are impacted by various factors including, but not limited to, timing of funding rate increases or additional funding, occupancy levels, timing of operating expenses and maintenance capital expenditures, seasonality of utility expenses, timing of resident co-payment increases,

the timing of disposals and acquisitions, and capital market and financing activities. For the three months ended December 31, 2024, the Company's results have been impacted by share of net loss in joint ventures, occupancy rates, increased costs pertaining to labour, food and other operating expenses.

A discussion of the operating results for the year ended December 31, 2024 compared to the same period in the prior year is provided in the section "Operating Results".

Select Annual Financial Information

The following table summarizes select annual financial information for the years ended December 31, 2024, 2023 and 2022:

Thousands of Canadian dollars, except per share data	2024	2023	2022
Revenue	893,158	785,368	718,590
Income before provision for income taxes	52,831	10,004	11,181
Net income	38,403	7,038	10,668
Per share basic and diluted	0.503	0.097	0.149
OFFO	116,119	82,071	69,078
Per share basic and diluted	1.522	1.125	0.965
AFFO	103,221	75,137	67,475
Per share basic and diluted	1.353	1.030	0.943
Dividends declared	72,064	68,288	67,315
Per share	0.936	0.936	0.936
Total assets ⁽¹⁾	1,859,807	1,695,343	1,680,428
Total debt	1,012,345	1,006,649	977,964

Notes:

1. Property and equipment and intangible assets included in total assets are measured at cost less accumulated depreciation and amortization.

Operating Results

The following table represents the operating results for the periods ended December 31, prepared in accordance with IFRS Accounting Standards:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Revenue	236,353	210,742	25,611	893,158	785,368	107,790
Expenses						
Operating expenses	192,762	174,705	18,057	704,014	642,588	61,426
Depreciation and amortization	13,102	12,314	788	51,104	49,623	1,481
Administrative expenses	8,771	7,172	1,599	35,054	29,092	5,962
Share of net loss in joint ventures	2,096	2,256	(160)	9,585	9,309	276
Net finance charges	7,804	12,432	(4,628)	37,896	40,443	(2,547)
Transaction costs	931	1,320	(389)	2,674	4,309	(1,635)
	225,466	210,199	15,267	840,327	775,364	64,963
Income before provision for income taxes	10,887	543	10,344	52,831	10,004	42,827
Provision for (recovery of) income taxes						
Current	1,606	(444)	2,050	15,454	1,718	13,736
Deferred	1,421	555	866	(1,026)	1,248	(2,274)
	3,027	111	2,916	14,428	2,966	11,462
Net income	7,860	432	7,428	38,403	7,038	31,365
Total assets	1,859,807	1,695,343	164,464	1,859,807	1,695,343	164,464
Total debt	1,012,345	1,006,649	5,696	1,012,345	1,006,649	5,696

Joint Arrangement

A joint arrangement can be a joint venture or a joint operation. In a joint venture, the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. In a joint operation, the parties that have joint control of the arrangement have the rights to the assets, and obligations for the liabilities, relating to the arrangement.

The following table summarizes the classification of properties which are owned through the Company's joint arrangements, or which are partially owned as at December 31, 2024:

Joint Arrangements	Number of properties	Sienna ownership	Joint arrangement type	Accounting treatment
Sienna-RSH Niagara Falls LP	1	70 %	Joint venture	Equity
Sienna-Sabra LP	12	50 %	Joint venture	Equity
Sienna Baltic Development LP ⁽¹⁾	2	70 % / 77 %	Joint operation	Proportionate

Notes:

1. Sienna Baltic Development LP owns 70% of Nicola Lodge and 77% of Glenmore Lodge.

Adjusted Revenue, Adjusted Operating Expenses, and Adjusted Net Operating Income

The following table reconciles revenue and operating expenses from our financial statements to adjusted revenue, adjusted operating expenses and Adjusted NOI:

	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Revenue	236,353	210,742	25,611	893,158	785,368	107,790
Share of revenue from Equity-Accounted Joint Ventures	9,912	8,121	1,791	36,753	31,289	5,464
Adjusted Revenue	246,265	218,863	27,402	929,911	816,657	113,254
Operating Expenses	192,762	174,705	18,057	704,014	642,588	61,426
Share of expenses from Equity-Accounted Joint Ventures	6,845	5,954	891	26,291	22,814	3,477
Adjusted Operating Expenses, net	199,607	180,659	18,948	730,305	665,402	64,903
NOI	43,591	36,037	7,554	189,144	142,780	46,364
Share of NOI from Equity-Accounted Joint Ventures	3,067	2,167	900	10,462	8,475	1,987
Adjusted NOI	46,658	38,204	8,454	199,606	151,255	48,351

Consolidated Adjusted Net Operating Income

The following table represents the Company's consolidated net operating income, including the Company's share of net operating income from Equity-Accounted Joint Ventures, for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Revenue						
Same Property ⁽¹⁾	240,580	214,144	26,436	909,012	797,469	111,543
Growth and Optimization ⁽²⁾						
Optimization	4,871	4,719	152	18,794	19,188	(394)
Growth	814	—	814	2,105	—	2,105
Subtotal - Growth and Optimization ⁽²⁾	5,685	4,719	966	20,899	19,188	1,711
Total Adjusted Revenue	246,265	218,863	27,402	929,911	816,657	113,254
Operating Expenses, net						
Same Property ⁽¹⁾	195,091	174,861	20,230	713,248	647,892	65,356
Net pandemic and incremental agency expenses ⁽³⁾	—	2,194	(2,194)	—	3,528	(3,528)
Growth and Optimization ⁽²⁾						
Optimization	3,793	3,604	189	14,590	13,982	608
Growth	723	—	723	2,467	—	2,467
Subtotal - Growth and Optimization ⁽²⁾	4,516	3,604	912	17,057	13,982	3,075
Total Adjusted Operating Expenses, net	199,607	180,659	18,948	730,305	665,402	64,903
NOI						
Same Property ⁽¹⁾	45,489	37,089	8,400	195,764	146,049	49,715
Growth and Optimization ⁽²⁾						
Optimization	1,078	1,115	(37)	4,204	5,206	(1,002)
Growth	91	—	91	(362)	—	(362)
Subtotal - Growth and Optimization ⁽²⁾	1,169	1,115	54	3,842	5,206	(1,364)
Total Adjusted NOI	46,658	38,204	8,454	199,606	151,255	48,351

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "Growth and Optimization" to "Same Property".
- Effective as of Q4 2024, "Growth and Optimization" portfolio, previously referred to as "Acquisitions, Development and Others" includes five retirement residences that are undergoing repositioning under asset optimization initiative, which are grouped as part of "Retirement - Optimization", and one retirement residence in Niagara Falls included in "Retirement - Growth", which opened on January 24, 2024 and is currently in lease up effective January 24, 2024.
- For Q4 2023, includes government assistance related to the pandemic of \$3,982 and incremental pandemic related and agency expenses of \$6,176, resulting in net pandemic and incremental agency expenses of \$2,194. For the year ended December 31, 2023, includes government funding related to the pandemic of \$24,865 and incremental pandemic related and agency expenses of \$28,393, resulting in net pandemic and incremental agency expenses of \$3,528. Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.

Fourth Quarter 2024 Operating Results

The Company's total adjusted Same Property revenues for Q4 2024 increased by \$26,436 to \$240,580, compared to Q4 2023. Retirement's adjusted Same Property revenues for Q4 2024 increased by \$5,026 to \$52,498, compared to Q4 2023, primarily due to occupancy increases, annual rental rate increases in line

with market conditions, and higher care and ancillary revenue. LTC's Same Property revenues for Q4 2024 increased by \$21,410 to \$188,082, compared to Q4 2023, primarily due to increased flow-through funding of direct care, significant funding increases to offset inflation in recent years, and retroactive funding of \$2,464, of which \$1,848 related to the prior year.

The Company's Growth and Optimization portfolio includes five properties undergoing asset optimization initiatives and Elgin Falls retirement residence, which is currently in lease up since the beginning of 2024. Total Growth and Optimization revenues for Q4 2024 increased by \$966 to \$5,685, compared to Q4 2023, mainly due to additional revenue from Elgin Falls as well as revenue from the five repositioning properties.

The Company's total adjusted Same Property operating expenses for Q4 2024 increased by \$20,230 to \$195,091, compared to Q4 2023. Retirement's adjusted Same Property operating expenses for Q4 2024 increased by \$2,875 to \$32,765, compared to Q4 2023, primarily due to higher labour and food costs, and other operating expenses. LTC's operating expenses for Q4 2024 increased by \$17,355 to \$162,326, compared to Q4 2023, mainly due to higher expenses related to direct care labour and other operating expenses. Growth and Optimization operating expenses for Q4 2024 increased by \$912 to \$4,516, compared to Q4 2023, mainly due to costs relating to Elgin Falls in lease up, and higher labour, food and ancillary expenses for five retirement repositioning properties.

The Company's total adjusted Same Property NOI for Q4 2024 increased by \$8,400 to \$45,489, compared to Q4 2023. Retirement's adjusted Same Property NOI for Q4 2024 increased by \$2,614 to \$19,733. LTC's Same Property NOI for Q4 2024 increased by \$5,786 to \$25,756 compared to Q4 2023. The Company's Growth and Optimization adjusted NOI for Q4 2024 increased by \$54 to \$1,169.

Year ended December 31, 2024 Operating Results

The Company's total adjusted Same Property revenues for the year ended December 31, 2024 increased by \$111,543 to \$909,012, compared to the year ended December 31, 2023. Retirement's adjusted Same Property revenues for the year ended December 31, 2024 increased by \$18,869 to \$201,713, compared to the year ended December 31, 2023, primarily due to annual rental rate increases in line with market conditions, occupancy growth, and higher care and ancillary revenue. LTC's Same Property revenues for the year ended December 31, 2024 increased by \$92,674 to \$707,299, compared to the year ended December 31, 2023, primarily due to one-time and retroactive funding of \$29,474, of which \$25,503 related to the prior years, a WSIB refund of \$2,960, annual inflationary funding increases and higher preferred accommodation revenue. In Q1 2024, the LTC segment recognized a one-time funding from MLTC of \$13,419, of which \$10,064 relates to 2023 and \$3,355 relates to Q1 2024. Also recognized retroactive funding of \$13,591 from the Government of British Columbia, related to 2023. In Q4 2024, the LTC segment recognized retroactive funding of \$2,464 from the Government of British Columbia, of which \$1,848 related to 2023. During the year ended December 31, 2023, the LTC segment recognized retroactive pandemic funding of \$4,058, of which 3,414 related to 2022 and \$644 related to 2021. Growth and Optimization revenues for the year ended December 31, 2024 increased by \$1,711 to \$20,899, primarily due to Elgin Falls in lease up since the beginning of the year, offset slightly by decreases with respect to residences undergoing asset optimization initiatives during the quarter.

The Company's total adjusted Same Property operating expenses for the year ended December 31, 2024 increased by \$65,356 to \$713,248, compared to the year ended December 31, 2023. Retirement's adjusted Same Property operating expenses, for the year ended December 31, 2024 increased by \$11,576 to \$126,263, compared to the year ended December 31, 2023, primarily due to higher labour and culinary costs. LTC's operating expenses for the year ended December 31, 2024, increased by \$53,780 to \$586,985, compared to the year ended December 31, 2023, mainly due to increase in direct care labour and other operating expenses.

Growth and Optimization operating expenses for the year ended December 31, 2024 increased by \$3,075 to \$17,057, compared to \$13,982 for the year ended December 31, 2023, mainly driven by costs relating to Elgin Falls in lease up, and higher labour, food and ancillary expenses for five retirement properties undergoing asset optimization initiatives.

The Company's total adjusted Same Property NOI for the year ended December 31, 2024 increased by \$49,715 to \$195,764, compared to the year ended December 31, 2023. Retirement's adjusted Same Property NOI for the year ended December 31, 2024 increased by \$7,890 to \$75,450 compared to the year ended December 31, 2023. LTC's Same Property NOI for the year ended December 31, 2024 increased by \$41,825 to \$120,314 compared to the year ended December 31, 2023. Growth and Optimization adjusted NOI for the year ended December 31, 2024 decreased by \$1,364 to \$3,842 compared to Q4 2023.

Adjusted Net Operating Income by Segment

The Company's consolidated net operating income consists of its Retirement and LTC business segments.

Our Retirement portfolio operates in well located markets and generated approximately 45% of the Company's Total Adjusted NOI for Q4 2024. Our LTC portfolio contributed approximately 55% to the Company's Total Adjusted NOI for Q4 2024.

Retirement

The following table represents the results of the Retirement segment for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Retirement Revenue						
Same Property ⁽¹⁾	52,498	47,472	5,026	201,713	182,844	18,869
Growth and Optimization ⁽²⁾						
Optimization	4,871	4,719	152	18,794	19,188	(394)
Growth	814	—	814	2,105	—	2,105
Subtotal - Growth and Optimization ⁽²⁾	5,685	4,719	966	20,899	19,188	1,711
Total Adjusted Retirement Revenue	58,183	52,191	5,992	222,612	202,032	20,580
Retirement Expenses, net						
Same Property ⁽¹⁾	32,765	29,890	2,875	126,263	114,687	11,576
Net pandemic and incremental agency expenses ⁽³⁾	—	463	(463)	—	597	(597)
Growth and Optimization ⁽²⁾						
Optimization	3,793	3,604	189	14,590	13,982	608
Growth	723	—	723	2,467	—	2,467
Subtotal - Growth and Optimization ⁽²⁾	4,516	3,604	912	17,057	13,982	3,075
Total Adjusted Retirement Expenses, net	37,281	33,957	3,324	143,320	129,266	14,054
Retirement NOI						
Same Property ⁽¹⁾	19,733	17,119	2,614	75,450	67,560	7,890
Growth and Optimization ⁽²⁾						
Optimization	1,078	1,115	(37)	4,204	5,206	(1,002)
Growth	91	—	91	(362)	—	(362)
Subtotal - Growth and Optimization ⁽²⁾	1,169	1,115	54	3,842	5,206	(1,364)
Total Adjusted Retirement NOI	20,902	18,234	2,668	79,292	72,766	6,526

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "Growth and Optimization" to "Same Property".
- Effective as of Q4 2024, "Growth and Optimization" portfolio, previously referred to as "Acquisitions, Development and Others" includes five retirement residences that are undergoing repositioning under asset optimization initiative, which are grouped as part of "Retirement - Optimization", and one retirement residence in Niagara Falls included in "Retirement - Growth", which opened on January 24, 2024 and is currently in lease up effective January 24, 2024.
- For Q4 2023, includes government assistance related to the pandemic of \$237 and incremental pandemic related agency expenses of \$700, resulting in net pandemic and incremental agency expenses of \$463. For the year ended December 31, 2023, includes government funding related to the pandemic of \$2,145 and incremental pandemic related and agency expenses of \$2,742, resulting in net pandemic and incremental agency recoveries of \$597. Effective January 1, 2024, the Company began classifying all funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.

Fourth Quarter 2024 Retirement Results

Retirement's adjusted Same Property revenues for Q4 2024 increased by \$5,026 to \$52,498, compared to Q4 2023, primarily attributable to occupancy increases, annual rental rate increases in line with market conditions and higher care and ancillary revenue. Retirement's adjusted Growth and Optimization revenues

for Q4 2024 increased by \$966 to \$5,685, compared to Q4 2023, driven primarily by revenue from Elgin Falls in lease up and five repositioning assets under asset optimization initiatives.

Retirement's adjusted Same Property operating expenses for Q4 2024 increased by \$2,875 to \$32,765 compared to Q4 2023, primarily due to higher labour, food and other operating costs. Retirement's adjusted Growth and Optimization operating expenses for Q4 2024 increased by \$912 to \$4,516, compared to Q4 2023, mainly due to costs relating to Elgin Falls in leased up, and higher labour, food and ancillary expenses for five repositioning properties.

Retirement's adjusted Same Property NOI and adjusted Growth and Optimization NOI for Q4 2024 increased by \$2,614 and \$54 to \$19,733 and \$1,169, respectively, compared to Q4 2023 as discussed above.

Year ended December 31, 2024 Retirement Results

Retirement's adjusted Same Property revenues for the year ended December 31, 2024 increased by \$18,869 to \$201,713, compared to the year ended December 31, 2023, primarily attributable to occupancy growth, annual rental rate increases in line with market conditions, higher care and ancillary revenue. Retirement's adjusted Growth and Optimization revenues for the year ended December 31, 2024 increased by \$1,711 to \$20,899, primarily due to Elgin Falls in lease up since beginning of the year, offset slightly by decreased revenues in residences undergoing asset optimization initiatives.

Retirement's adjusted Same Property operating expenses for the year ended December 31, 2024 increased by \$11,576 to \$126,263 compared to the year ended December 31, 2023, primarily due to higher labour and food costs. Retirement's adjusted Growth and Optimization operating expenses for the year ended December 31, 2024 increased by \$3,075 to \$17,057, compared to \$13,982 for the year ended December 31, 2023, mainly driven by costs relating to Elgin Falls in lease up, and higher labour, food and ancillary expenses for five properties undergoing asset optimization initiatives.

Retirement's adjusted Same Property NOI and Growth and Optimization adjusted NOI for the year ended December 31, 2024 increased by \$7,890 to \$75,450, and decreased by \$1,364 to \$3,842, respectively, compared to the year ended December 31, 2023 as discussed above.

Long-term Care

The following table represents the results of the LTC segment for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Long-term Care Revenue						
Same Property ⁽¹⁾	188,082	166,672	21,410	707,299	614,625	92,674
Total Long-term Care Revenue	188,082	166,672	21,410	707,299	614,625	92,674
Long-term Care Expenses, net						
Same Property ⁽¹⁾	162,326	144,971	17,355	586,985	533,205	53,780
Net pandemic and incremental agency expenses ⁽²⁾	—	1,731	(1,731)	—	2,931	(2,931)
Total Long-term Care Expenses, net	162,326	146,702	15,624	586,985	536,136	50,849
Long-term Care NOI						
Same Property ⁽¹⁾	25,756	19,970	5,786	120,314	78,489	41,825
Total Long-term Care NOI	25,756	19,970	5,786	120,314	78,489	41,825

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "Growth and Optimization" to "Same Property".
- For Q4 2023, includes government assistance related to the pandemic of \$3,745 and incremental pandemic and agency expenses of \$5,476 resulting in net pandemic and agency expenses of \$1,731. For the year ended December 31, 2023, includes government funding related to the pandemic of \$22,720 and incremental pandemic and agency expenses of \$25,651, resulting in recoveries of \$2,931. Effective January 1, 2024, the Company began classifying all funding that started during the pandemic as revenue ("pandemic funding"), with the corresponding expenses are presented as part of operating expenses.

Fourth Quarter 2024 Long-term Care Results

LTC's Same Property revenues for Q4 2024 increased by \$21,410 to \$188,082, compared to Q4 2023, primarily due to higher flow-through funding for direct care, annual inflationary funding increases and retroactive funding of \$2,464, of which \$1,848 related to the prior year.

LTC's Same Property operating expenses for Q4 2024 increased by \$17,355 to \$162,326, compared to Q4 2023, mainly due to higher direct care labour and other operating expenses.

LTC's Same Property NOI for Q4 2024 increased by \$5,786 to \$25,756, compared to Q4 2023 as a result of the Same Property revenue and operating expenses changes as discussed above.

Year ended December 31, 2024 Long-term Care Results

LTC's Same Property revenues for the year ended December 31, 2024 increased by \$92,674 to \$707,299, compared to the year ended December 31, 2023, primarily due to one-time funding from MLTC of \$13,419 (\$10,064 relates to 2023 and \$3,355 relates to Q1 2024), retroactive funding from the Government of British Columbia of \$16,055 in Q1 2024, including \$13,591 related to the prior years, and \$2,464 in Q4 2024, including \$1,848 related to 2023, and, a one-time WSIB refund of \$2,960 related to the prior years that was recorded in Q2 2024, higher annual inflationary funding increases, and higher preferred accommodation revenue.

LTC's Same Property operating expenses for the year ended December 31, 2024 increased by \$53,780 to \$586,985, compared to the year ended December 31, 2023, mainly due to higher expenses related to an increase in direct care labour and other operating expenses.

LTC's Same Property NOI for the year ended December 31, 2024 increased by \$41,825 to \$120,314, compared to the year ended December 31, 2023 as a result of the Same Property revenue and operating expenses changes as discussed above.

Depreciation and Amortization

Fourth Quarter 2024

Depreciation and amortization for Q4 2024 increased by \$788 to \$13,102, compared to Q4 2023, primarily due to higher amortization on computer software, and higher depreciation on furniture and fixtures, and building, and higher amortization on computer software.

Year ended December 31, 2024

Depreciation and amortization for the year ended December 31, 2024 increased by \$1,481 to \$51,104, compared to the year ended December 31, 2023, primarily due to higher amortization on computer software and resident relationships, and higher depreciation on building, furniture and fixtures and right-of-use of equipment.

Administrative Expenses

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
General and administrative expenses	7,192	7,192	—	29,135	27,686	1,449
SOAR Program	—	—	—	471	306	165
Restructuring costs	200	(651)	851	200	(1,826)	2,026
Share-based compensation	1,379	631	748	5,248	2,918	2,330
Pandemic related expenses	—	—	—	—	8	(8)
Total administrative expenses	8,771	7,172	1,599	35,054	29,092	5,962

Fourth Quarter 2024

Administrative expenses for Q4 2024 increased by \$1,599 to \$8,771, compared to Q4 2023, primarily due to an increase in share-based compensation expenses and restructuring costs reversed in the prior year.

Year ended December 31, 2024

Administrative expenses for the year ended December 31, 2024 increased by \$5,962 to \$35,054, compared to year ended December 31, 2023, primarily due to an increase in share-based compensation driven by Sienna's stock performance improvement, restructuring costs reversed in the prior year, and severance costs.

Share of Net Loss in Joint Ventures

Fourth Quarter 2024

The Company's share of net loss in joint ventures of \$2,096 (2023 - \$2,256), was related to Sienna-Sabra LP and Sienna-RSH Niagara Falls LP. This balance is comprised of NOI of \$3,067, less depreciation and amortization of \$4,374, less finance costs of \$619, less transaction costs of \$170.

Year ended December 31, 2024

The Company's share of net loss in joint ventures of \$9,585 (2023 - \$9,309), was primarily related to Sienna-Sabra LP. This balance is comprised of NOI of \$10,462, less depreciation and amortization of \$17,428, less finance costs of \$2,447, less transaction costs of \$172.

Net Finance Charges

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Finance costs						
Interest expense on mortgages	6,174	5,889	285	24,253	21,997	2,256
Interest expense on debentures	4,189	3,586	603	14,859	14,226	633
Interest on unsecured term loan	—	—	—	—	1,176	(1,176)
Interest expense on construction loan	656	—	656	1,290	—	1,290
Interest expense on credit facilities	218	540	(322)	2,138	3,092	(954)
Interest expenses on lease liabilities	35	40	(5)	146	151	(5)
Amortization of financing charges and fair value adjustments on acquired debt	1,030	926	104	4,083	3,320	763
Net settlement receipt on interest rate swap contracts	(454)	(930)	476	(2,428)	(3,489)	1,061
Fair value loss on interest rate swap contracts	296	2,925	(2,629)	2,388	2,212	176
	12,144	12,976	(832)	46,729	42,685	4,044
Less: Interest capitalized on qualifying development projects ⁽¹⁾	(1,663)	—	(1,663)	(4,327)	—	(4,327)
Net Finance Costs	10,481	12,976	(2,495)	42,402	42,685	(283)
Finance income						
Interest income on construction funding receivable	59	21	38	269	432	(163)
Other interest income	2,618	523	2,095	4,237	1,810	2,427
	2,677	544	2,133	4,506	2,242	2,264
Net finance charges	7,804	12,432	(4,628)	37,896	40,443	(2,547)

1. . The Company capitalized interest expense related to qualifying development projects under construction.

Fourth Quarter 2024

Net finance charges for Q4 2024 decreased by \$4,628 to \$7,804, compared to Q4 2023, primarily due to favourability in interest rate swap contracts, higher interest income from equity offering proceeds, and

lower interest expense on credit facilities from lower utilization, partially offset by higher interest expense on debenture stemming from higher interest rate from Series D debentures.

Year ended December 31, 2024

Net finance charges for the year ended December 31, 2024 decreased by \$2,547 to \$37,896, compared to year ended December 31, 2023, primarily due to lower interest expense on credit facilities, lower interest on unsecured term loan that was fully repaid in Q2 2023, and higher interest income from equity offering proceeds, partially offset by higher interest expense on mortgages resulting from increased property level mortgages.

Transaction Costs

Fourth Quarter 2024

Transaction costs for Q4 2024 decreased by \$389 to \$931 compared to Q4 2023 primarily attributable to timing of activities related to development projects and transactions.

Year ended December 31, 2024

Transaction costs for the year ended December 31, 2024 decreased by \$1,635 to \$2,674 compared to year ended December 31, 2023 primarily attributable to timing of activities related to development projects and transactions.

Income Taxes

Fourth Quarter 2024

Income tax expense for Q4 2024 increased by \$2,916 resulting in an income tax expense of \$3,027 (current tax expense of \$1,606 and deferred tax expense of \$1,421), compared to Q4 2023 income tax expense of \$111 (current tax recovery of \$444 and deferred tax expense of \$555). The increase in taxes is primarily due to higher NOI in the current quarter.

Year ended December 31, 2024

Income tax expense for the year ended December 31, 2024 increased by \$11,462 resulting in an income tax expense of \$14,428 (current tax expense of \$15,454 and deferred tax recovery of \$1,026), compared to year ended December 31, 2023 income tax expense of \$2,966 (current tax expense of \$1,718 and deferred tax expenses of \$1,248). The increase in taxes is primarily due to higher NOI including the \$29,474 one-time & retroactive funding in 2024 and mark to market adjustments on share-based compensation.

Business Performance

Non-GAAP Measures

Readers are cautioned that certain terms used in the MD&A listed below, including any related per share amounts, used by Management of the Company to measure, compare and explain the operating results and financial performance of Sienna do not have any standardized meaning prescribed under IFRS Accounting Standards and, therefore, should not be construed as alternatives to net income, cash flow from operating activities, or any other measure prescribed under IFRS Accounting Standards. These terms are defined in the

following table and reconciliations to the most comparable IFRS Accounting Standards measure are referenced, as applicable. The following terms do not have a standardized meaning prescribed by IFRS Accounting Standards and may not be comparable to similarly titled measures presented by other publicly traded entities.

Adjusted Funds from Operations

The measure most directly comparable to FFO and OFFO is "Adjusted NOI". The following table represents the reconciliation of "Adjusted NOI" to "net income" to FFO and OFFO for the periods ended December 31. The reconciliation from FFO to AFFO is provided as supplementary information.

Thousands of Canadian dollars, except share and per share data	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Adjusted revenue	246,265	218,863	27,402	929,911	816,657	113,254
Adjusted operating expense, net of government assistance	(199,607)	(180,659)	(18,948)	(730,305)	(665,402)	(64,903)
Adjusted NOI	46,658	38,204	8,454	199,606	151,255	48,351
Depreciation and amortization	(13,102)	(12,314)	(788)	(51,104)	(49,623)	(1,481)
Administrative expenses	(8,771)	(7,172)	(1,599)	(35,054)	(29,092)	(5,962)
Share of net loss in equity accounted joint ventures	(2,096)	(2,256)	160	(9,585)	(9,309)	(276)
Share of NOI in equity accounted joint ventures	(3,067)	(2,167)	(900)	(10,462)	(8,475)	(1,987)
Net finance charges	(7,804)	(12,432)	4,628	(37,896)	(40,443)	2,547
Transaction costs	(931)	(1,320)	389	(2,674)	(4,309)	1,635
Income taxes expenses	(3,027)	(111)	(2,916)	(14,428)	(2,966)	(11,462)
Net income	7,860	432	7,428	38,403	7,038	31,365
Deferred income tax recovery	1,421	555	866	(1,026)	1,248	(2,274)
Depreciation and amortization	11,613	11,335	278	45,739	44,748	991
Transaction costs	931	1,186	(255)	2,674	3,464	(790)
Fair value (gain) loss on interest rate swap contracts	296	2,925	(2,629)	2,388	2,212	176
Shares granted under SOAR program	—	—	—	471	306	165
Equity-Accounted Joint Ventures:						
Depreciation and amortization	4,374	4,181	193	17,428	16,686	742
Shares granted under SOAR program	—	—	—	24	10	14
Transaction cost	170	57	113	172	348	(176)
Funds from operations (FFO)	26,665	20,671	5,994	106,273	76,060	30,213
Depreciation and amortization - corporate	1,489	979	510	5,365	4,875	490
Amortization of financing charges and fair value adjustments on assumed debt ⁽¹⁾	1,078	980	98	4,281	3,526	755
Restructuring costs, including tax	200	(518)	718	200	(2,390)	2,590
Operating funds from operations (OFFO)	29,432	22,112	7,320	116,119	82,071	34,048
Construction funding	429	870	(441)	2,570	5,891	(3,321)
Maintenance capital expenditure ⁽²⁾	(4,777)	(5,226)	449	(15,468)	(12,825)	(2,643)
Adjusted funds from operations (AFFO)	25,084	17,756	7,328	103,221	75,137	28,084
Dividends declared	(19,332)	(17,074)	(2,258)	(72,064)	(68,288)	(3,776)
AFFO retained	5,752	682	5,070	31,157	6,849	24,308
Basic and Diluted FFO per share	0.323	0.283	0.040	1.393	1.043	0.350
Basic and Diluted OFFO per share	0.356	0.303	0.053	1.522	1.125	0.397
Basic and Diluted AFFO per share	0.304	0.243	0.061	1.353	1.030	0.323
Weighted average common shares outstanding	82,605,054	72,967,166		76,291,724	72,955,978	

Notes:

1. For the year ended December 31, 2024, includes the Company's share of amortization of financing charges and fair value adjustments on assumed debt in Equity-Accounted Joint Ventures of \$49 and \$198 (2023 - \$54 and \$206).
2. For the year ended December 31, 2024 includes the Company's share of maintenance capital expenditure in Equity-Accounted Joint Ventures of \$358 and \$899 (2023 - \$296 and \$793).

Fourth Quarter 2024 Performance

For Q4 2024, FFO increased by \$5,994 to \$26,665, compared to Q4 2023. The increase was primarily attributable to higher Adjusted NOI, including a \$1,809 (\$2,464 net of \$655 taxes) retroactive funding, offset by higher current income tax.

For Q4 2024, OFFO increased by \$7,320 to \$29,432, compared to Q4 2023. The increase was primarily attributable to higher FFO.

For Q4 2024, AFFO increased by \$7,328 to \$25,084, compared to Q4 2023. The increase was primarily related to the increase in OFFO.

Year ended December 31, 2024 Performance

FFO for the year ended December 31, 2024 increased by \$30,213 to \$106,273, over the prior year. The increase was primarily due to higher Adjusted NOI, including, \$17,365 of one-time & retroactive funding (\$23,655 net of \$6,290 taxes) relating to prior years in Q1 2024, \$1,809 of retroactive funding (\$2,464 net of \$655 taxes) in Q4 2024, and WSIB refund of \$2,500 (\$3,406 net of \$906 taxes) related to prior years in Q2 2024, and lower transaction costs partially offset by higher current income tax.

OFFO for the year ended December 31, 2024 increased by \$34,048 to \$116,119, over the prior year. The increase was primarily due to higher FFO.

AFFO for the year ended December 31, 2024 increased by \$28,084 to \$103,221, over the prior year. The increase in AFFO was principally related to the increase in OFFO, offset by a decrease in construction funding income and increase in maintenance capital expenditure.

Construction Funding

The Company receives construction funding subsidies from the Government of Ontario on a per bed per diem basis to support the costs of developing or redeveloping eligible LTC homes. There are several eligibility requirements, including receiving approval from the MLTC on the development or redevelopment and completing the construction in accordance with a development agreement signed with the MLTC. This funding is non-interest bearing, and is received subject to the condition that the residences continue to operate as long-term care residences for the period for which they are entitled to the construction funding. As at December 31, 2024, the condition for funding has been met.

The construction funding amount to reconcile from OFFO to AFFO represents the change in the construction funding receivable balance, which consists of the cash to be received, offset by the interest income on the construction funding receivable recognized in "net income". For the years ending December 31, 2025 through 2029, and thereafter, the Company estimates that the construction funding amount for completed projects, excluding Brantford and North Bay which are expected to complete in the second half of 2025, will be as follows:

Thousands of Canadian dollars	Construction funding interest income ⁽¹⁾	Construction funding principal ⁽²⁾	Total construction funding to be received
2025	193	1,344	1,537
2026	136	1,204	1,340
2027	107	463	570
2028	94	482	576
2029	73	410	483
Thereafter	406	2,298	2,704
	1,009	6,201	7,210

Notes:

1. The interest income relates to interest accretion resulting from the construction funding receivable that was initially measured at fair value and subsequently measured at amortized cost using the effective interest method.
2. The construction funding principal received is an adjustment to reconcile from OFFO to AFFO.

For the year ended December 31, 2024, interest income on construction funding of \$59 and \$269, (2023 - \$21 and \$432) was recognized, and an adjustment of \$429 and \$2,570 (2023 - \$870 and \$5,891) was made to AFFO for construction funding principal received.

Maintenance Capital Expenditures

The Company monitors all of its properties for ongoing maintenance requirements. As part of the capital investments' monitoring process, items are assessed and prioritized based on the urgency and necessity of the expenditure to sustain or maintain the condition of buildings, or to meet residents' needs. The following table summarizes the Company's maintenance capital expenditures, including the Company's proportionate share of Equity-Accounted Joint Ventures, for the periods ended December 31, :

Thousands of Canadian dollars	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Building maintenance	2,669	2,600	6,033	4,411
Mechanical and electrical	1,183	846	4,310	2,925
Suite renovations and common area upgrades	231	700	2,723	2,716
Communications and information systems	24	203	400	611
Furniture, fixtures and equipment	670	877	2,002	2,162
Total maintenance capital expenditures	4,777	5,226	15,468	12,825
Capital Investments in Equity-Accounted Joint Ventures	358	296	899	793

Building Maintenance

Building maintenance include the costs for structures, roofing, exterior grounds, fire safety, and sprinklers. For the year ended December 31, 2024, the increase in building maintenance compared to the prior year was due to flood restoration, safety upgrades and timing of repairs.

Mechanical and Electrical

Mechanical and electrical expenditures include the costs for heating, air conditioning and ventilation systems, generators, boilers, pumps and building elevators. The year-over-year increase in mechanical and electrical was due to the timing of repairs for air conditioning, pumps and generators at certain properties.

Suite Renovations and Common Area Maintenance

Suite renovations and common area maintenance are expenditures to maintain the marketability of the Company's residences. Flooring and carpeting replacements are often done in conjunction with suite renovations.

Communication and Information Systems

Communication and information systems' expenditures include the costs for purchasing and installing computer equipment, software applications, telecommunication systems and wireless solutions.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment expenditures include the costs for replacing or maintaining residences' furnishings and equipment, including those in residents' rooms, as well as kitchen facilities, laundry facilities and dining furnishings.

Reconciliation of Cash Flow from Operations to Adjusted Funds from Operations

The IFRS Accounting Standards measure most directly comparable to AFFO is "cash flow from operating activities". The following table represents the reconciliation of cash provided by operating activities to AFFO for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Cash provided by operating activities	21,914	35,943	(14,029)	149,929	126,705	23,224
Construction funding principal	429	870	(441)	2,570	5,891	(3,321)
Transaction costs	931	1,320	(389)	2,674	4,309	(1,635)
Maintenance capital expenditures	(4,777)	(5,226)	449	(15,468)	(12,825)	(2,643)
Net change in working capital, interest and taxes	5,537	(15,931)	21,468	(39,081)	(51,139)	12,058
Share-based compensation expenses	(1,379)	(631)	(748)	(5,248)	(2,918)	(2,330)
Restructuring costs, including tax	200	(518)	718	200	(2,390)	2,590
AFFO of Equity-Accounted Joint Ventures	2,229	1,929	300	7,645	7,504	141
Adjusted funds from operations (AFFO)	25,084	17,756	7,328	103,221	75,137	28,084

Refer to the "Cash Flow Analysis" section for details on the change from Q4 2023 to Q4 2024 on cash flow provided by operating activities.

Financial Position Analysis

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities and equity as at December 31, 2024 compared to December 31, 2023:

Thousands of Canadian dollars	2024	2023	Change
Total assets	1,859,807	1,695,343	164,464
Total liabilities	1,379,086	1,321,572	57,514
Total equity	480,721	373,771	106,950

Total assets increased by \$164,464 to \$1,859,807 primarily due to increase in cash and cash equivalents as a result of the Company's Q3 equity offering, net increase in property and equipment from construction in progress mainly relating to development projects, offset by net loss equity pick-up in joint ventures, and lower government funding receivable and construction funding receivable.

Total liabilities increased by \$57,514 to \$1,379,086 primarily due to higher accounts payable and accrued liabilities, government funding payable, income tax payable, share-based compensation liability, and drawdown on construction loans. This was partially offset by the lack of drawdown on credit facilities.

Total equity increased by \$106,950 to \$480,721 primarily due to the shares issuance in Q3, the Company's net income for the year to date, partially offset by dividends declared during the year.

Cash Flow Analysis

The following table represents the summary of cash flows for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Cash provided by (used in):						
Operating activities	21,914	35,943	(14,029)	149,929	126,705	23,224
Investing activities	(38,731)	(36,199)	(2,532)	(116,480)	(74,015)	(42,465)
Financing activities	(64,671)	(16,828)	(47,843)	69,349	(66,336)	135,685
(Decrease) increase in cash and cash equivalents during the period	(81,488)	(17,084)	(64,404)	102,798	(13,646)	116,444
Cash and cash equivalents, end of period	127,202	24,404	102,798	127,202	24,404	102,798

Fourth Quarter 2024

Cash inflows provided by operating activities for the three months ended December 31, 2024 decreased by \$14,029 to \$21,914 primarily due to higher prepaid expenses and lower government funding payables as a result of timing of payments, partially offset by higher net income.

Cash outflows used in investing activities for the three months ended December 31, 2024 increased by \$2,532 to \$38,731 primarily due to higher capital expenditures on development projects, partially offset by higher interest earned from equity offering proceeds, and no acquisitions in the quarter compared to the prior year.

Cash outflows used in financing activities for the three months ended December 31, 2024 increased by \$47,843 to \$64,671 primarily due to repayment of maturing property level mortgages.

Year ended December 31, 2024

Cash inflows provided by operating activities for the year ended December 31, 2024 increased by \$23,224 to \$149,929 primarily due to higher net income, offset by lower government funding as a result of timing of payments and utilization of government funding received.

Cash outflows used in investing activities for the year ended December 31, 2024 increased by \$42,465 to \$116,480 primarily due to higher capital spend related to development projects, partially offset by no acquisitions compared to the prior year.

Cash inflows from financing activities for the year ended December 31, 2024 increased by \$135,685 to \$69,349 primarily due to proceeds from equity offering, net proceeds from property level mortgages and drawdown on construction loans, offset by repayment of outstanding credit facilities and maturing mortgages and an increase in dividends payment.

Liquidity and Capital Resources

Liquidity

The Company's primary source of liquidity is cash flow generated from operating activities. The Company expects to meet its operating cash requirements, including required working capital, capital expenditures, and currently scheduled interest payments on debt through fiscal 2024 and beyond, from cash on hand, cash flow from operations, proceeds from refinancing its debt, its committed but unutilized borrowing capacity and, if necessary, will pursue debt or equity financing to provide the Company with additional financial flexibility.

As at December 31, 2024, the Company's liquidity was \$435,013, as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Cash and cash equivalents	127,202	24,404
Available funds from credit facilities	307,811	282,911
Total	435,013	307,315

As at December 31, 2024, the Company's share of cash and cash equivalents held in our Equity-Accounted Joint Ventures was \$3,713.

The Company had a working capital deficiency (current liabilities less current assets) of \$223,237 as at December 31, 2024, including the current portion of long-term debt of \$72,233. To support its working capital deficiency, the Company has available cash from operations, access to multiple sources of financing and has a history of successfully refinancing debt.

The Company has an unencumbered asset pool with a fair value of approximately \$1,054,000 as at December 31, 2024, representing an increase of \$61,100 from \$992,900 as at December 31, 2023. The increase in the unencumbered asset pool since the beginning of the year is due to an addition of five properties and removal of three properties to the unencumbered asset pool, plus updated appraisals of certain properties.

The unencumbered asset pool provides the Company with financial flexibility to enter into different financing options.

Debt

The Company's objectives are to access and maintain the lowest cost of debt with the most flexible terms available. The Company's debt strategy involves primarily unsecured debentures, conventional and CMHC insured mortgages, and secured and unsecured credit facilities.

The Company's goal is to continue to optimize its debt maturity schedule over a 10-year period in order to manage interest rate and financial risks. The Company's strategy is to build a 10-year debt maturity ladder by refinancing approximately 10% of its debt annually, which is approximately \$1,012,345 as at December 31, 2024.

The Company's total debt is comprised as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Series A Unsecured Debentures	—	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	—
Construction Loan	30,208	—
Credit facilities	—	25,000
Mortgages	548,001	542,806
Lease liability	3,434	4,131
	1,031,643	1,021,937
Fair value adjustments on assumed debt	1,815	1,792
Less: Deferred financing costs	(21,113)	(17,080)
Total debt	1,012,345	1,006,649

The following table summarizes the scheduled principal maturities of the Company's long-term debt commitments as at December 31, 2024:

Thousands of Canadian dollars, except interest rate						Mortgages			Total	Consolidated Weighted Average Interest Rate on Maturing Debt
Year	Series B Unsecured Debentures (1)	Series C Unsecured Debentures (2)	Series D Unsecured Debentures (3)	Construction Loan	Capitalized Lease Principal Payments (4)	Regular Principal Repaymen ts	Principal Due at Maturity	Weighted Average Interest Rate on Maturing Mortgages		
2025	—	—	—	16,014	795	17,225	41,112	3.79 %	75,146	4.29 %
2026	175,000	—	—	—	825	17,589	—	— %	193,414	3.45 %
2027	—	125,000	—	—	856	17,107	35,115	3.31 %	178,078	2.95 %
2028	—	—	—	—	563	12,424	125,154	3.47 %	138,141	3.47 %
2029	—	—	150,000	14,194	395	8,493	—	— %	173,082	4.54 %
2030	—	—	—	—	—	8,537	9,230	1.65 %	17,767	1.65 %
2031	—	—	—	—	—	8,675	—	— %	8,675	— %
Thereafter	—	—	—	—	—	30,270	217,070	4.26 %	247,340	4.26 %
	175,000	125,000	150,000	30,208	3,434	120,320	427,681	3.88 %	1,031,643	3.81 %
Fair value adjustments on assumed debt									1,815	
Less: Deferred financing costs									(21,113)	
Total debt									1,012,345	

Notes:

1. The interest rate for the Series B Unsecured Debentures is 3.450%.
2. The interest rate for the Series C Unsecured Debentures is 2.820%.
3. The interest rate for the Series D Unsecured Debentures is 4.436%
4. The weighted average interest rate for capitalized lease principal payments is 3.87% for each year.

The following tables are supplemental information and summarize the components of the Company's share of debt for our Equity-Accounted Joint Ventures:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Mortgages	24,327	25,262
Construction loan	27,283	22,705
Fair value adjustments on assumed debt	(2,120)	(2,318)
Less: Deferred financing costs	(10)	(11)
Total debt	49,480	45,638

Year	Principal Repayments
2025	957
2026	28,261
2027	1,000
2028	1,023
2029	1,046
2030	1,069
2031	1,094
Thereafter	17,160
	51,610
Fair value adjustments on assumed debt	(2,120)
Less: Deferred financing costs	(10)
Total debt	49,480

Debentures

The Series A senior unsecured debentures were issued on November 4, 2019, and bear interest at a rate of 3.109% per annum, payable semi-annually in May and November of each year and mature on November 4, 2024 (the "**Series A Unsecured Debentures**"). On November 4, 2024, the Company fully repaid the Series A Debentures.

The Series B senior unsecured debentures were issued on October 2, 2020, and bear interest at a rate of 3.45% per annum, payable semi-annually in February and August of each year and mature on February 27, 2026 (the "**Series B Unsecured Debentures**").

The Series C senior unsecured debentures were issued on June 3, 2021, and bear interest at a rate of 2.82% per annum, payable semi-annually in March and September of each year and mature on March 31, 2027 (the "**Series C Unsecured Debentures**").

On October 17, 2024, the Company issued \$150,000 aggregate principal amount of Series D senior unsecured debentures ("**Series D Unsecured Debentures**"). The Series D Unsecured Debentures bear

interest at a rate of 4.436% per annum, payable semi-annually in April and October of each year maturing on October 17, 2029.

The balances related to the debentures are as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Series A Unsecured Debentures	—	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	—
Add: Deferred financing costs	438	502
	450,438	450,502

Credit Facilities

The Company has a combined total borrowing capacity of \$307,811 pursuant to its credit facilities as at December 31, 2024.

On March 19, 2020 the Company entered into a credit agreement for \$200,000 senior unsecured revolving credit facility (the "Unsecured Revolving Credit Facility"). On October 26, 2022, the Company increased the Unsecured Revolving Credit Facility by \$100,000 to \$300,000 and extended its maturity to March 19, 2027. On June 26, 2024, the Company further extended the term of the unsecured revolving credit facility for an additional two-year period expiring on March 19, 2029. The Unsecured Revolving Credit Facility may be extended for additional one-year terms, subject to certain conditions. The capacity of the Unsecured Revolving Credit Facility may be increased by up to \$50,000 during the term of the facility, subject to certain conditions. Borrowings under the Unsecured Revolving Credit Facility bear interest at Canadian Overnight Repo Rate Average ("CORRA") plus credit spread adjustment plus 145 bps per annum (formerly under the discontinued banker's acceptance ("BA") rate plus 145 bps per annum) or at the Canadian prime rate plus 45 bps per annum, at the Company's option. The Unsecured Revolving Credit Facility is subject to certain customary financial and non-financial covenants.

The Company has a non-revolving acquisition loan facility totaling \$6,000 that matures on June 6, 2025. Borrowings under the credit facility are available by way of loans at the Canadian prime rate plus 75 bps per annum or CORRA plus credit spread adjustment plus 175 bps per annum (formerly under the discontinued BAs at 175 bps per annum), at the Company's option.

The Company has other property credit facilities totaling \$2,500 that can be accessed for working capital purposes. Borrowings are available at the Canadian prime rate plus 50 bps per annum.

As at December 31, 2024, the Unsecured Revolving Credit Facility was undrawn (December 31, 2023 - \$25,000).

The balances related to the Company's unsecured credit facilities are as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Credit facilities drawn	—	25,000
Less: Deferred financing costs	(2,557)	(2,602)
	(2,557)	22,398

Construction Loans

As at December 31, 2024, the Company had access to two non-revolving demand construction loans for the purpose of financing development projects, totaling 166,626. As at December 31, 2024, \$30,208 was drawn on the construction loans. Borrowings under the construction loans are available by way of loans at the Canadian prime rate plus 50 bps per annum or CORRA plus credit spread adjustment plus 195 bps per annum, at the Company's option.

Mortgages

The Company has both fixed and variable rate mortgages with various financial institutions. The Company is subject to interest rate risk on mortgages at variable rates associated with certain residences, which is substantially offset by interest rate swap contracts. Property-level mortgages are secured by each of the underlying properties' assets, guaranteed by the Company and subject to customary financial and non-financial covenants.

The Company has low-cost mortgage financing with CMHC. As at December 31, 2024, 76% of the Company's total property-level mortgages, including the Company's proportionate share of Equity-Accounted Joint Ventures, were insured by CMHC.

The balances related to property-level mortgages are as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Mortgages at fixed rates	461,381	430,655
Mortgages at variable rates ⁽¹⁾	86,620	112,151
Fair value adjustments on assumed debt	1,815	1,792
Less: Deferred financing costs	(18,994)	(14,980)
	530,822	529,618

Note:

1. Includes floating rate mortgages that have been fixed through interest rate swaps.

The following table summarizes some metrics on the Company's property-level mortgages:

	December 31, 2024			December 31, 2023
	Fixed Rate	Variable Rate	Total	Total
Weighted average interest rate ⁽¹⁾	3.92 %	3.65 %	3.88 %	3.97 %
Weighted average term to maturity (years)	7.6	1.6	6.7	5.9

Note:

1. Weighted average interest rate includes variable rates that have been fixed through interest rate swaps.

Lease Liability

The lease liability as at December 31, 2024 of \$3,434 represents the Company's lease on its office equipment and the renewed Markham corporate office space.

Credit Ratings

The Company's credit ratings for its debentures are summarized below:

Debt	Rating Agency	Credit Rating	Outlook
Series B Unsecured Debentures	DBRS	BBB	Stable
Series C Unsecured Debentures	DBRS	BBB	Stable
Series D Unsecured Debentures	DBRS	BBB	Stable

Financial Covenants

The Company is in compliance with all financial covenants on its borrowings as at December 31, 2024. However, there can be no assurance that covenant requirements will be met at all times. If the Company does not remain in compliance, its ability to amend the covenants or refinance its debt could be adversely affected.

Adjusted EBITDA, as referenced in certain ratios below, is presented in accordance with defined terms in certain covenant calculations. The following table represents the reconciliation of net income to EBITDA and Adjusted EBITDA for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income ⁽¹⁾	7,860	432	38,403	7,038
Depreciation and amortization ⁽²⁾	17,477	16,495	68,532	66,309
Net finance charges ⁽²⁾	8,423	12,617	40,343	41,193
Provision for income taxes	3,027	111	14,428	2,966
Transaction costs ⁽²⁾	1,101	1,377	2,846	4,657
EBITDA	37,888	31,032	164,552	122,163
Proceeds from construction funding	487	891	2,839	6,323
Restructuring costs	200	(651)	200	(1,826)
SOAR program ⁽²⁾	—	—	495	316
Adjusted EBITDA	38,575	31,272	168,086	126,976

Notes:

1. For the three and twelve months ended December 31, 2024, includes the one-time & retroactive funding, net of tax of \$1,357 and \$18,722, respectively, relating to the prior years.
2. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

Interest Coverage Ratio

The Interest Coverage Ratio is a common measure used to assess an entity's ability to service its debt obligations. In general, higher ratios indicate a lower risk of default. The interest coverage ratio is calculated as follows for the periods ended December 31:

Thousands of Canadian dollars, except ratio	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net finance charges	7,804	12,432	37,896	40,443
Add (deduct):				
Amortization of financing charges and fair value adjustments on acquired debt	(1,030)	(926)	(4,083)	(3,320)
Interest capitalized on construction	1,663	—	4,327	—
Interest income on construction funding receivable	59	21	269	432
Interest expenses from Equity-Accounted Joint Ventures	578	141	2,288	572
Other interest income ⁽¹⁾	2,627	530	4,277	1,838
Fair value (loss) gain on interest rate swap contracts	(296)	(2,925)	(2,388)	(2,212)
Net finance charges, adjusted	11,405	9,273	42,586	37,753
Adjusted EBITDA⁽²⁾	38,575	31,272	168,086	126,976
Interest coverage ratio⁽³⁾	3.4	3.4	3.9	3.4

Notes:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. For the three and twelve months ended December 31, 2024, includes the one-time & retroactive funding, net of tax of \$1,357 and \$18,722, respectively, relating to the prior years.
3. Excluding one-time items recognized in 2024, the interest coverage ratio would be 3.2 and 3.3, respectively, for the three months and year ended December 31, 2024.

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is a common measure used to assess an entity's ability to service its debt obligations. Maintaining the debt service coverage ratio forms part of the Company's debt covenant requirements. In general, higher ratios indicate a lower risk of default. Adjusted EBITDA as referenced below, is presented in accordance with defined terms in certain covenant calculations. The following is the calculation for the periods ended December 31:

Thousands of Canadian dollars, except ratio	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net finance charges, adjusted⁽¹⁾	11,405	9,273	42,586	37,753
Principal repayments ⁽¹⁾⁽²⁾	5,319	4,834	21,490	20,283
Total debt service⁽¹⁾	16,724	14,107	64,076	58,036
Adjusted EBITDA⁽³⁾	38,575	31,272	168,086	126,976
Deduct:				
Maintenance capital expenditures	(4,777)	(5,226)	(15,468)	(12,825)
Cash income tax paid	(1,035)	—	(3,730)	(4,733)
Adjusted EBITDA (for covenant calculations)	32,763	26,046	148,888	109,418
Debt service coverage ratio⁽⁴⁾	2.0	1.8	2.3	1.9

Notes:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. Debt repayments on maturity and voluntary payments towards the Company's credit facilities have been excluded from the debt service coverage ratio calculation.
3. For the three and twelve months ended December 31, 2024, includes the one-time & retroactive funding, net of tax of \$1,357 and \$18,722, respectively, relating to the prior years.

4. Excluding one-time items recognized in 2024, the debt service coverage ratio would be 1.8 and 1.9, respectively, for the three months and year ended December 31, 2024.

Debt to Adjusted EBITDA Ratio

The Debt to Adjusted EBITDA ratio is an indicator of the approximate number of years required for current cash flows to repay all indebtedness.

Thousands of Canadian dollars, except ratio	As at December 31,	
	2024	2023
Series A Unsecured Debentures	—	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	—
Construction loan	30,208	—
Credit facilities	—	25,000
Mortgages	548,001	542,806
Mortgages related to Equity-Accounted Joint Ventures	24,327	25,262
Construction loan related to Equity-Accounted Joint Venture	27,283	22,705
Lease liability ⁽¹⁾	3,440	4,139
Total indebtedness	1,083,259	1,069,912
Adjusted EBITDA ⁽¹⁾⁽²⁾	168,086	126,976
Debt to Adjusted EBITDA ⁽³⁾	6.4	8.4

Note:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. For the trailing 12 months.
3. Excluding one-time items recognized in 2024, the debt to adjusted EBITDA ratio would be 7.8 and 7.8, respectively, for the three months and year ended December 31, 2024.

Debt to Adjusted Gross Book Value

Debt to Adjusted Gross Book Value indicates the leverage applied against the total gross book value (original costs) of the entity.

Thousands of Canadian dollars, except ratio	As at December 31,	
	2024	2023
Total indebtedness ⁽¹⁾	1,083,259	1,069,912
Total assets ⁽¹⁾	1,913,540	1,745,074
Accumulated depreciation on property and equipment ⁽¹⁾	497,554	443,919
Accumulated amortization on intangible assets ⁽¹⁾⁽²⁾	223,356	208,459
Adjusted Gross Book Value ⁽¹⁾	2,634,450	2,397,452
Debt to Adjusted Gross Book Value	41.1 %	44.6 %

Note:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. Includes fully amortized assets of \$175,361 as at December 31, 2024 (December 31, 2023 - \$170,871).

Equity

Share Capital

The Company is authorized to issue an unlimited number of common shares or preferred shares, without nominal or par value. The following table summarizes the common shares issued and outstanding:

Thousands of Canadian dollars, except shares	Common shares	Amount
Balance, January 1, 2023	72,939,941	964,514
Long-term incentive plan, net of loans receivable	—	23
Common shares issued pursuant to SOAR program	27,225	306
Balance, December 31, 2023	72,967,166	964,843
Dividend reinvestment plan	70,507	1,126
Long-term incentive plan, net of loans receivable	—	24
Common shares issued, net of share issuance costs	9,591,000	138,990
Common shares issued pursuant to SOAR program	32,327	471
Balance, December 31, 2024	82,661,000	1,105,454

On August 28, 2024, the Company completed a bought-deal offering of 9,591,000 common shares of the Company at a price of \$15.00 per common share for aggregate gross proceeds of \$143,865. Costs related to the issuance totaled \$ 4,875, net of taxes of \$1,766, and were recorded against shareholders' equity.

Normal course issuer bid

On June 17, 2024, the Company received approval from the TSX on its notice of intention to renew its normal course issuer bid ("**NCIB**") for a portion of the Company's common shares. Pursuant to the notice, the Company has the authority to acquire up to a maximum of 3,649,974 of its common shares for cancellation over the next 12 months. Purchases by the Company under the NCIB will be made through the facilities of the TSX or through a Canadian alternative trading system and in accordance with applicable regulatory requirements at a price per common share equal to the market price at the time of acquisition. The number of common shares that can be purchased pursuant to the NCIB is subject to a current daily maximum of 61,857 common shares, subject to the Company's ability to make one block purchase of its common shares per calendar week that exceeds such limits. All common shares purchased by the Company under the NCIB will be cancelled upon purchase. The Company had the option to purchase shares beginning on June 20, 2024. The NCIB will be terminated on June 19, 2025.

No common shares were purchased pursuant to the Company's normal course issuer bid.

Dividend reinvestment plan

The Company has established a dividend reinvestment plan ("**DRIP**") for eligible holders of common shares, which allows participants to reinvest cash dividends paid in respect of their common shares in additional common shares at a 3% discount.

On November 11, 2024, the Company reinstated the DRIP, which was previously temporarily suspended on March 18, 2020, upon approval by the Board of Directors.

Dividends

The Board of Directors of the Company determines the appropriate dividend levels based on its assessment of cash provided by operations normalized for unusual items, expected working capital requirements and actual and projected capital expenditures.

The following table summarizes the dividends declared in relation to cash flows from operating activities and AFFO for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Cash flows from operating activities	21,914	35,943	(14,029)	149,929	126,705	23,224
Dividends declared	(19,332)	(17,074)	(2,258)	(72,064)	(68,288)	(3,776)
Cash flows from operating activities in excess of dividends declared	2,582	18,869	(16,287)	77,865	58,417	19,448
AFFO	25,084	17,756	7,328	103,221	75,137	28,084
Dividends declared	(19,332)	(17,074)	(2,258)	(72,064)	(68,288)	(3,776)
AFFO retained	5,752	682	5,070	31,157	6,849	24,308

The Company believes that its current dividend level is sustainable. However, cash dividends are not guaranteed and may fluctuate with the performance of the Company.

Capital Disclosure

The Company defines its capital as the total of its long-term debt and shareholders' equity less cash and cash equivalents.

The Company's objectives when managing capital are to:

- (i) maintain a capital structure that provides options to the Company for accessing capital on commercially reasonable terms, without exceeding its debt capacity, or the limitations in its credit facilities, or taking on undue risks;
- (ii) maintain financial flexibility in order to preserve its ability to meet financial obligations, including debt service payments and regular dividend payments; and
- (iii) deploy capital to provide an appropriate investment return to its shareholders.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue additional shares, additional long-term debt, or long-term debt to replace existing long-term debt with similar or different characteristics, or adjust the amount of dividends paid to the Company's shareholders. The Company's financing and refinancing decisions are made on a specific transaction basis and depend on factors such as the Company's financial needs and the market and economic conditions at the time of the transaction.

The Board of Directors of the Company determines and approves monthly dividends in advance on a quarterly basis.

There were no changes in the Company's approach to capital management during the period.

Contractual Obligations and Other Commitments

Leases

The Company has a lease with respect to its Markham corporate office that expires on October 31, 2029.

The Company has various leases for office and other equipment that expire over the next four years.

Other Commitments

The Company has committed to purchasing the remaining 30% interest in Nicola Lodge, between November 2024 and March 2026, at the Company's discretion. The purchase price will be \$26,520, before closing costs and subject to customary closing adjustments. In October 2024, the Company notified the Fraser Health Authorities of its intent to purchase the remaining 30% interest of Nicola Lodge. The transaction is expected to close in the first quarter of 2025. The purchase price will be financed through the assumption of the remaining share of the in-place mortgage (estimated to be \$11,600 in November 2024) and the proceeds from the Company's equity raise in August 2024.

On October 16, 2024, the Company entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat for an aggregate purchase price of \$181.6 million. The Company intends to finance the Acquisition and its related transaction costs through a combination of: (i) assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.4 years; and (ii) the proceeds from the Company's equity raise in August 2024. The Company expects the Acquisition to complete early in 2025.

Critical Accounting Estimates and Accounting Policies

The accounting policies and estimates that are critical to the understanding of the Company's business operations and results of operations are identified in Note 3 of the Company's annual audited consolidated financial statements for the year ended December 31, 2024. New or changes in accounting policies are identified in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2024. Please refer to those financial statements for further details.

Significant Judgments and Estimates

The preparation of consolidated financial statements under IFRS Accounting Standards requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are discussed below.

Long-term care licences

In Ontario, the Fixing Long-Term Care Act ("**FLTCA**") contains a licence term regime for all LTC residences which will result in licence terms for the Company's residences ranging from 15 years for Class B and C residences to 30 years for Class A residences. Under the FLTCA, ultimate control of LTC licences in Ontario remains with the MLTC, including approval of new licences, transfer, and renewal or revocation of existing licences. Although the licence does not support any guarantee of continued operation beyond the term of the licence, based on the current demographics in Canada and the demand for LTC beds projected to increase, management of the Company is of the view that licences will continue to be renewed.

In British Columbia, the LTC licences have an indefinite term.

Impairment analysis of indefinite-lived intangible assets (significant estimate)

The Company views long-term care licences as indefinite-lived intangible assets. These indefinite-lived intangible assets do not generate largely independent cash inflows and are therefore tested as part of the cash generating units (CGUs) to which they belong. The Company has defined each owned residence to be a CGU. CGUs that contain indefinite-lived intangibles are tested for impairment annually and whenever there is an indication of impairment. The carrying value of each CGU is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

Recoverable amount is determined using the direct capitalization method. This method considers capitalization rates derived from transactions involving properties comparable to the subject properties. The capitalization rate is applied to a stabilized single-year estimate of net operating income to determine market value. The significant assumptions used in the valuation include capitalization rates.

Risk Factors

There are certain risks inherent in an investment in the Company's securities and in the activities of the Company. The Company is exposed to a number of risks and uncertainties in the normal course of business that have the potential to affect operating performance. The Company has operating and risk management strategies and insurance programs to help minimize these operating risks and uncertainties. In addition, the Company has entity level controls and governance procedures, including a corporate code of business conduct and ethics, whistleblowing procedures, clearly articulated corporate values, and procedures in place to systematically identify matters warranting consideration of disclosure by its Disclosure Committee, and detailed policies outlining the delegation of authority within the Company.

To preserve and enhance shareholder value over the long-term, the Company approaches the management of risk strategically through its disciplined enterprise risk management ("**ERM**") program. The Company conducts an annual ERM assessment which is overseen by the Company's senior management team and is reported to the Board of Directors. A key element of the ERM program is the periodic review, identification and assessment of risk. The ERM framework sets out principles and tools for identifying, evaluating, prioritizing and managing risk effectively across the Company. Senior management participates in a detailed

review of enterprise risk in four major categories: strategic, operational, compliance, financial and reporting. In addition, the Company monitors risks and changing economic conditions on an ongoing basis and adapts its operating strategies as needed.

This section describes the principal risks and uncertainties that could have a material adverse effect on the Company's business and financial results. The risks and uncertainties described below may not be the only risks that may impact the Company's business. Additional risks not currently known to the Company or that management currently believes are immaterial may have a material adverse effect on future business and operations. Investors should carefully consider these risks before investing in the securities of the Company. Any discussion about risks should be read in conjunction with "Forward-Looking Statements".

Risks Relating to the Business

General business risks

The Company is subject to general business risks, including those inherent in the senior living sector. These risks include changes in government regulation and oversight, changes in consumer preferences, fluctuations in occupancy levels and business volumes, changes in government funding and reimbursement programs, competition from other seniors care providers, changes in neighborhood or location conditions and general economic conditions, natural disasters, health related risks (including disease outbreaks such as COVID-19 and influenza) and control risks, negative media reports or publicity, critical third party supply failures, imposition of new or increased taxes, capital expenditure requirements, and increased operating costs. Additional risks include possible future changes in labour relations, reduction of personnel below acceptable levels (including due to events such as pandemic illness or quarantine), increases in labour and other personnel costs (including pursuant to the pay equity litigation discussed below under "Developments related to Pay Equity"). Any one or a combination of these factors may adversely affect the business, operating results or financial condition of the Company.

Liability and insurance

The businesses which are carried on, directly or indirectly, by the Company entail an inherent risk of liability, including with respect to injury to or death of its residents. From time to time, the Company is subject to lawsuits as a result of the nature of its businesses, including the class actions described below. The market for insurance for the senior living sector has been challenging and has resulted in increased insurance costs for the Company. The Company maintains business and property insurance policies in amounts and with such coverage and deductibles as deemed appropriate, based on the nature and risks of the businesses, historical experience, industry standards and coverage availability to the sector. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. There are certain types of risks, generally of a catastrophic nature, such as floods, earthquakes, power outages, war, terrorism or environmental contamination, which are either uninsurable or are not insurable on an economic basis. A successful claim against the Company not covered by, or in excess of, its insurance may have a material adverse impact on the business, operating results and financial condition of the Company. Claims against the Company, regardless of their merit or eventual outcome, also may have a material adverse impact on the ability to attract residents or expand the Company's business, and requires

management of the Company to devote time to matters unrelated to the operation of the business. Sienna and its consolidated subsidiaries are defendants in various actions and proceedings.

On January 21, 2022, the Superior Court of Justice (the "**Court**") made an order consolidating six proposed class actions in the form ordered by the Court. The aggregate amount of damages claimed in the consolidated claim against the Company is \$260,000.

On March 7, 2024, the Court issued its decision certifying the consolidated claim against the Company on the terms set out in the decision, namely only in respect of the Ontario long term care homes owned by the Company and with a gross negligence cause of action.

The Company intends to continue to vigorously defend itself against the consolidated claim.

Given the status of the proceedings, management is unable to assess the potential impact of the consolidated claim, on the Company's financial results.

On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "**Recovery Act**"). The Recovery Act provides civil liability protection to organizations that made a good faith effort to follow public health guidance and COVID-19 related laws, and did not act with gross negligence. The Recovery Act also deems existing civil proceedings related to COVID-19 exposure to be dismissed without costs and will bar future proceedings from being brought, as long as the defendant acted in good faith and not with gross negligence.

On February 5, 2025, Aspira Traditions of Durham Retirement Living was charged with criminal negligence causing death under the Criminal Code. The charge relates to the death of a resident at this retirement residence in April 2023. Sienna intends to defend itself through the courts.

Developments related to Pay Equity

The Company along with a number of other industry participants and the Ontario government are currently engaged in various proceedings with several unions regarding pay equity maintenance for employees at long-term care facilities, for which wages and benefits are typically funded by the MLTC. In one such proceeding, the Supreme Court of Canada denied leave to appeal and upheld the appellate court ruling that the proxy method should be used and comparisons should be made to an outside sector. The Company and the other participants in the long-term care sector are working with the unions and government to assess the impact of the ruling and establish a framework for pay equity suitable for the sector.

Given the current status of the proceedings and significant number of judgements required in establishing the pay equity framework that will impact the measurement of any potential provision, including ongoing discussions with the unions amongst the parties, management has assessed the conditions required for a provision and have concluded that it is not possible to reliably measure the potential outflow of resources, and accordingly no provision has been recorded in the consolidated financial statements as at December 31, 2024.

Labour intensive operations

The business of the Company is labour intensive, with labour related costs comprising a substantial portion of the Company's direct operating expenses. The Company's businesses compete with other providers with

respect to attracting and retaining qualified personnel. Any shortage of qualified personnel and general inflationary pressures may require the Company to enhance its pay and benefits package to compete effectively for such personnel or hire temporary agency staff. Long term care communities in British Columbia are subject to direct care hour requirements by the respective health authorities for funding eligibility. An increase in labour-related costs or a failure to attract, train and retain qualified and skilled personnel may have a material adverse impact on the business, operating results and financial condition of the Company.

Reliance on key personnel

The Company's success depends upon the retention of senior management. There can be no assurance that the Company would be able to find qualified replacements for the individuals who make up its senior management team if their services were no longer available. The loss of services of one or more members of such senior management team may have a material adverse impact on the business, operating results and financial condition of the Company. The Company does not currently carry any "key man" life insurance in respect of any of its executives.

Long-term care funding

The mandate of certain provincial and regional health regulators includes the authorization to determine the co-payment fees that residents pay to long-term care communities. Provincial and regional health regulators also provide funding for care and support programs in long-term care communities and subsidize accommodation costs for qualifying residents. Risk exists that provincial and regional health regulators may reduce the level of, or eliminate, such fees, payments or subsidies to residences in the future. There can be no assurance that the current level of such fees, payments and subsidies will be continued or that such fees, payments and subsidies will increase commensurate with expenses of operating long-term care communities. A reduction of these fees, payments or subsidies or their failure to increase commensurate with expenses may have a material adverse impact on the business, operating results and financial condition of the Company.

Funding adjustments in the current year

Reconciliations of funding versus actual expenses are performed annually, based on previous calendar years. From time to time, the reconciliations will result in current year adjustments made in respect of the prior years. These "prior period adjustments" can have either a favourable or unfavourable impact on NOI generally related to differences identified in the reconciliation attributable to occupancy days, special circumstances and differences between projected and actual property tax.

Interest Rate and Inflation Risk

The Company is exposed to interest rate risk primarily through its variable-rate debt and the refinancing of maturing fixed-rate debt. In a rising interest rate environment, the cost of acquisitions and financing rises, which may negatively impact the Company's business, financial condition and results of operations. To mitigate this risk, the Company utilizes interest rate hedging strategies where appropriate and maintains a diversified debt maturity profile.

The rate of inflation impacts the general economic and business environment in which the Company operates. Inflationary pressures experienced domestically and globally, external supply constraints, tight

labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, puts pressure on the Company's acquisition, financing, operation and labour costs and could negatively impact the Company's business, financial condition and results of operations. If inflation persists and interest rate is climbing, an economic contraction is possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which the Company may seek capital, and in turn might impact its ability to obtain capital in the future on favourable terms, or at all. While the Company's market position provides it with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on its business, operations, and financial performance.

Information technology risk

The Company is a party to agreements with third parties for hardware, software, network, telecommunications and other information technology ("IT") services in connection with its operations. The Company's efficient operation of its business depends, in part, on computer hardware and software systems and on how well the Company and its suppliers protect networks, equipment, systems and software against damage from a number of threats (including cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, malware, vandalism, ransomware and theft). The Company's operations also depend on the timely maintenance, upgrade and replacement of systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems could, depending on the nature of any such failure, adversely impact the Company's reputation and may have a material adverse impact on the business, operating results and financial condition of the Company.

Privacy and cybersecurity risk

Information systems are vulnerable to security threats, including cybersecurity incidents. A cybersecurity incident is considered to be any intentional or unintentional material adverse event that threatens the confidentiality, integrity or availability of the Company's information resources, including malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Moreover, cybersecurity attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. As a custodian of personal information, including health information, relating to residents and employees, the Company is exposed to the potential loss, misuse or theft of any such information, which could result in reputational damage, potential liability to third parties, additional regulatory scrutiny and fines and litigation and other costs and expenses.

The Company takes data privacy and protection seriously and has implemented processes, procedures and controls to help mitigate these risks. Access to personal data is controlled through physical security and IT security measures, and team members are frequently trained in the safeguarding of sensitive information. For information stored with or processed by third parties, the Company undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by the Company. Additionally, the Company monitors and assesses risks surrounding collection, use, storage and protection practices of personal data. However, these measures, as well as its increased awareness of a risk of a

cybersecurity incident, do not guarantee that the Company's financial results would not be negatively impacted by such an incident.

Although to date the Company has not experienced any material losses relating to cybersecurity or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cybersecurity threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any of the foregoing events could have a material adverse impact on the business, operating results and financial conditions of the Company.

Government regulation

Both long-term care communities and retirement residences are subject to extensive regulation with the potential for regulatory change. There can be no assurance that future regulatory changes affecting the seniors' housing industry would not have a material adverse impact on the business, operating results and financial condition of the Company.

All long-term care communities and retirement residences are required to adhere to quality control, public health, infection control and other care-related operating standards. Accordingly, all long-term care communities and retirement residences are subject to regulatory inspections to ensure compliance with applicable regulations and to investigate complaints, including complaints related to resident injury or death. It is not unusual for the stringent inspection procedures to identify deficiencies in operations. Every effort is made by the Company to correct legitimate problem areas that have been identified. It is possible that the Company may not be able to remedy deficiencies or address complaints within the time frames allowed or in a manner satisfactory to the applicable regulatory authority, which could lead to periods of enhanced monitoring and the imposition of sanctions (such as limiting admissions in the case of a long-term care community), and penalties and fines, which, in turn, may have a material adverse impact on the business, operating results and financial condition of the Company. Further, once deficiencies have been corrected, it could nonetheless take a period of time before public records note the compliance.

The retirement sector requires that a residence and operator must be licensed to operate. Retirement residences are regulated by *the Retirement Homes Act, 2010* (Ontario) (the “**RHA**”) in the Province of Ontario, *The Personal Care Homes Act* (Saskatchewan) in the Province of Saskatchewan (the “**PCA**”), the *Continuing Care Act, 2022* (the “**CCA**”) in the Province of Alberta, and the *Community Care and Assisted Living Act* (British Columbia) (the “**CCALA**”) in the Province of British Columbia. In Ontario, the Retirement Home Regulatory Authority (the “**RHRA**”), a regulatory body created by the RHA, provides consumer protection and regulation, but not funding, for the provision of care and services in retirement residences in the province. Retirement residences are required to be licensed by the RHRA in order to operate in Ontario and are inspected regularly by RHRA inspectors. In Saskatchewan, the Ministry of Health is responsible for the licensing and monitoring of personal care homes. The PCA governs the care, management and administration of care homes, including approving the services to be provided, and which are subject to regular inspections. In Alberta, the CCA regulates the full spectrum of continuing care services and settings, including continuing care homes, supportive living accommodations, and home and community care. The CCA establishes authority and oversight for licensing, accommodations, and the delivery of publicly funded

health care in the continuing care system. Pursuant to the Continuing Care Regulation under the CCA, adherence with Accommodation Standards – Supportive Living Accommodation is a mandated requirement for supportive living accommodation operators in Alberta. The Accommodation Standards - Supportive Living Accommodation provide the standards for voluntary, public, and private organizations operating supportive living accommodations in Alberta, which are maintained and enforced through Alberta Health Services. In British Columbia, the CCALA provides consumer protection and regulation of retirement residences in the province, such that all levels of senior living residences providing personal support in British Columbia must be registered with the Assisted Living Registry.

While the Company has obtained all currently required licences and registrations, there can be no assurances that the Company will be able to obtain all necessary licences and registrations in the future or that future regulatory changes affecting retirement residences would not have a material adverse impact on the business, operating results and financial condition of the Company.

Competition

Numerous other senior living residences, predominantly retirement residences, compete with the Company's retirement residences in seeking residents. The existence of competing owners and competition for the Company's residents may have a material adverse impact on the Company's ability to attract residents to its senior living residences and on the rents charged, and may have a material adverse impact on the business, operating results and financial condition of the Company.

Tariffs and Trade Restrictions

The Company's operations and financial performance may be impacted by changes in tariffs, trade restrictions, or other regulatory measures imposed by domestic or foreign governments. The announced imposition of tariffs by the United States (the "U.S. Tariffs") and retaliatory measures between governments may cause multifaceted effects on the Canadian economy and the senior living sector. While Sienna operates exclusively in Canada, the U.S. Tariffs may adversely impact the Company's operations by causing supply chain disruptions, economic downturn, inflationary pressures, and uncertainty in capital markets. Failure of the Company to mitigate the negative effects of the U.S. Tariffs on its business could have a material adverse impact on the operating results and financial condition of the Company.

Credit ratings

The credit ratings assigned to the Company are an assessment of the Company's ability to pay its obligations. The Company received a "BBB" investment grade credit rating with a "Stable" trend from DBRS. DBRS has also assigned a rating "BBB", with "Stable" trend, to the Company's 3.45% Series B Unsecured Debentures due February 27, 2026, the 2.82% Series C Unsecured Debentures due March 31, 2027 and 4.436% Series D Unsecured Debentures due October 17, 2029. There is no assurance the Company will continue to receive such credit ratings. Thus, real or anticipated changes in the Company's credit ratings may affect its capital structure and may have a material adverse impact on the business, operating results and financial condition of the Company.

Financing risk

The Company expects its working capital needs and capital expenditure needs to increase in the future as it continues to expand and enhance its portfolio. The Company's ability to raise additional capital will depend

on the financial success of its current business and the successful implementation of its key strategic initiatives as well as, financial, economic and market conditions and other factors, some of which are beyond its control. No assurance can be given that it will be successful in raising the required capital at reasonable cost and at the required times, or at all. Further equity financings may have a dilutive effect on the value of the common shares. If the Company is unsuccessful in raising additional capital, it may not be able to continue its business operations and advance its growth initiatives, which may have a material adverse impact on the business, operating results and financial condition of the Company.

The Company was in compliance with its financial covenants as at December 31, 2024. However, there can be no assurance that future covenant requirements will be met. The Company's bank lines and other debt may be affected by its ability to remain in compliance with their respective terms. If the Company does not remain in compliance with its financial covenants, its ability to amend the covenants or refinance its debt may be affected.

A portion of the Company's cash flow is devoted to servicing its debt and there can be no assurance that the Company will continue to generate sufficient cash flow from operations to meet the required interest and principal payments on its debt. If the Company were unable to meet such interest or principal payments, it may be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. If this were to occur, it may have a material adverse impact on the business, operating results and financial condition of the Company. The Company is subject to the risk that its existing indebtedness may not be able to be refinanced at maturity or that the terms of any refinancing may not be as favourable as the terms of its existing indebtedness. If the Company requires additional debt financing, its lenders may require it to agree to restrictive covenants that could limit its flexibility in conducting future business activities or that contain provisions that, upon an event of default, result in the acceleration of repayment of amounts owed and that restrict the amount of dividends, if any, that may be paid to its shareholders. Some of the Company's current debt instruments include such covenants.

Acquisitions, dispositions and development

The success of the Company's business acquisition, disposition and development activities will be determined by numerous factors, including the ability of the Company to identify suitable acquisition or development targets, competition for transactional opportunities, purchase and sale prices, the Company's ability to obtain adequate financing on reasonable terms, the financial performance of acquired businesses and the ability of the Company to effectively integrate and operate acquired businesses. Acquisitions, dispositions and development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the Company's operations and financial results. Representations and warranties given by such third parties to the Company may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Further, the acquired businesses may not meet financial or operational expectations of performance due to unexpected costs associated with the acquisition or development of an acquired property, as well as the general investment risks inherent in any real estate investment. In addition, the letters of intent and purchase or sale agreements entered into with third parties with respect to such acquisitions or dispositions, as applicable, are generally subject to certain closing conditions, and in some cases, the granting of regulatory approvals. Such acquisitions or dispositions may not be completed due to the failure to satisfy closing conditions or the failure to receive required regulatory

approvals and certain funds paid by the Company may not be recoverable. Moreover, new acquisitions may require significant attention from management of the Company or capital expenditures that would otherwise be allocated to existing businesses. Any failure by the Company to identify suitable targets for acquisition or disposition, or to operate acquired businesses effectively, may have a material adverse impact on the business, operating results and financial condition of the Company.

The Company is pursuing development activities with partners. These activities create development-specific risks, including liens, constructions delays, increasing costs, labour disputes, delays in obtaining municipal and regional approvals and disputes with development partners. Any of the foregoing may have a material adverse impact on the business, operating results and financial condition of the Company.

Redevelopment of Class B and C residences

The redevelopment of the Company's Class B and Class C beds in Ontario require regulatory approvals and may include significant capital outlays. To the extent such redevelopment plans proceed on significantly different timing or terms, including with respect to budgets or the levels of expected funding, there may be a material adverse impact on the business, operating results and financial condition of the Company.

Capital intensive industry

The ability of the Company to maintain and enhance its properties in a suitable condition to meet regulatory standards, operate efficiently and remain competitive in its markets requires it to commit a portion of cash to its facilities and equipment. Significant future capital requirements may have a material adverse impact on the business, operating results and financial condition of the Company.

Labour relations

A majority of the team members working at the Company's properties are unionized with approximately 84% of team members represented by unions, including the following: Service Employees International Union (SEIU), the BC Nurses' Association (BCNU), Ontario Nurses Association (ONA), the Hospital Employees' Union (HEU), Christian Labour Association of Canada (CLAC), Canadian Union of Public Employees (CUPE), UNIFOR, British Columbia General Employees' Union (BCGEU), Healthcare, Office and Professional Employees Union (HOPE), National Organized Workers Union (NOW), Ontario Public Service Employees Union (OPSEU), Service Employees International Union West (SEIU West), Teamsters and United Food and Commercial Workers Union (UFCW). While the Company has traditionally maintained positive labour relations, there can be no assurance the Company will not at any time, whether in connection with a renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or team members, which may have a material adverse impact on the business, operating results and financial condition of the Company. Notwithstanding the foregoing, all long-term care communities in Ontario are governed by the *Hospital Labour Disputes Arbitration Act*), which prohibits strikes and lockouts in the senior living industry. As a result, collective bargaining disputes in Ontario are more likely to be resolved through compulsory third party arbitration. Other provincial jurisdictions have other prescribed dispute resolution mechanisms in place including essential services legislation.

Workplace health and safety

Failure to comply with appropriate and established workplace health and safety policies and procedures or applicable legislative requirements could result in increased work-related injury or illness, fines and/or

penalties and reputational harm and thus have a material adverse effect on the business, results of operations and financial condition of the Company.

Joint venture interests

The Company has entered into several joint-venture arrangements in respect of certain of the Company's seniors' housing operations and continues to seek more such opportunities. Joint-venture arrangements have the benefit of sharing the risks associated with ownership and management of properties, including those risks described elsewhere in this section. However, if joint venture arrangements or partnerships do not perform as expected or default on financial obligations, the Company has an associated risk. The Company aims to reduce this risk by seeking to negotiate contractual rights upon default, by entering into agreements with financially stable partners and by working with partners who have a successful record of operating and completing development projects. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including, without limitation, (i) the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment; (ii) the possibility that a co-venturer may have economic or business interests or goals which are inconsistent with those of the Company (including relating to the sale of properties held in the joint venture or the timing of the termination and liquidation of such joint venture); (iii) the risk that a co-venturer may be in a position to take action contrary to the Company's investment objectives; (iv) the risk that a co-venturer may, through its activities on behalf of or in the name of the joint venture or partnership, expose or subject the Company to liability; or (v) the need to obtain a co-venturer's consent with respect to major decisions or the inability to have any decision making authority. In addition, the sale or transfer of interests in certain of joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture agreements may provide for buy-sell or similar arrangements. Such rights may limit the Company's ability to sell an interest in a property or a joint venture within the time frame or otherwise on the basis the Company desires. Additionally, drag-along rights may be triggered at a time when the Company may not intend to sell a property and the Company may be forced to do so at a time when it would not otherwise be in the Company's best interest or on disadvantageous terms. Any of the foregoing may have a material adverse impact on the business, operating results and financial condition of the Company.

Real property ownership

All real property investments are subject to a degree of risk. They are affected by various factors, including changes in general economic conditions (such as the availability of long-term mortgage funding) and in local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to residents, competition from other available space and various other factors, including increasing property taxes. In addition, fluctuations in interest rates may have a material adverse impact on the business, operating results and financial condition of the Company.

Damage to administrative operations or properties

The Company's ability to sustain or grow its business is heavily dependent on efficient, proper and uninterrupted operations at its properties. Power failures or disruptions, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment and destruction of buildings, equipment and other facilities due to natural disasters or other causes could severely affect its ability to continue operations. While the Company does maintain certain insurance policies covering losses due to

fire, lightning and explosions, there can be no assurance its coverage would be adequate to compensate the Company for the actual cost of replacing such buildings, equipment and infrastructure nor can there be any assurance that such events would not have a material adverse impact on the business, operating results and financial condition of the Company.

Licence terms

In Ontario, the FLTCA establishes a licence term regime for all long-term care communities. The licence terms for Company's residences range from 15 years for Class B and C residences to 30 years for Class A residences. Under the FLTCA, ultimate control of long-term care licences in Ontario remains with the MLTC, including approval of new licences, transfer, and renewal or revocation of existing licences. Although the licence does not support any guarantee of continued operation beyond the term of the licence, based on the current demographics in Canada and the demand for long-term care beds which is projected to increase, management of the Company is of the view that licences will continue to be renewed. In British Columbia, the CCALA establishes a licence term regime for all long-term care communities. A failure of the Company's long-term care licences to be renewed or conditionally renewed may have a material adverse impact on the business, operating results and financial condition of the Company.

Outbreaks

The occurrence of a pandemic, epidemic, or other outbreak of an infectious illness or other public health crisis in areas in which the Company operates could have a material adverse effect on the business, operating results and financial condition of the Company. Enhanced procedures, protocols and care put in place to assist in reducing the likelihood of exposure or addressing actual illness in the Company's long term care communities and retirement residences (for example, bans, limits or suspensions of admissions, testing of residents and team members, enhanced screening and use of personal protective equipment (PPE)) may result in increased costs. In addition, a pandemic, epidemic or other outbreak may adversely impact the Company's operations by causing staffing and supply shortages. Resident satisfaction and team member engagement may also be adversely impacted during this period.

Although continued or enhanced government funding or assistance may mitigate some of these impacts, there is no certainty of the extent to which that will be the case. In addition, outbreaks, such as COVID-19, cause the Company's residences and its management to spend considerable time planning for and addressing such events, which diverts their attention from other business matters.

Any outbreak may cause an economic slowdown and increased volatility in financial markets, which could have a material adverse effect on the business, results of operations and financial condition of the Company with the potential to impact, among others: (i) the valuation of the Company's properties and assets; (ii) the availability or the terms of financing that the Company has or may anticipate utilizing; (iii) the Company's ability to make principal and interest payments on, or refinance, any outstanding debt when due; (iv) the occupancy rates in the Company's properties; (v) the ability of residents to satisfy their payment obligations to the Company, including the payment of rent; and (vi) the market price for the equity securities of the Company. Further, the Company may be exposed to claims related to COVID-19 and other outbreaks, including class actions and other lawsuits, labour proceedings, union complaints, inquiries, and investigations.

The Company has been named as a defendant in litigation related to its handling of the COVID-19 pandemic in its residences. There is risk that further litigation could be commenced by, or on behalf of, persons impacted by an outbreak at a Sienna residence which, even if not meritorious and even if covered by the Company's insurance, could result in increased operating costs to the Company.

The impact of COVID-19 on the overall economy may adversely affect credit markets, which may make it more difficult for the Company to access credit or, if able to do so, it may be at a higher cost or on less favourable terms, potentially impacting, among other things, re-financings and the Company's development plans and timelines. Governments and central banks have attempted to stabilize economic conditions through monetary and fiscal interventions, which has impacted the financial markets, interest rate volatility and the economy in general and may continue to have unknown impacts going forward.

To the extent that interest rates continue to increase as a result of the Bank of Canada's actions or otherwise, the availability of refinancing alternatives for credit facilities and other loans may be reduced.

Ongoing COVID-19 outbreaks, and other infectious disease outbreaks may result in some or all of these negative outcomes and adversely impact the business, operating results and financial condition of the Company. There can be no assurances that a pandemic, epidemic or outbreak of a contagious illness, such as COVID-19, would not have a material adverse effect on the business, operating results and financial condition of the Company.

Climate change

The Company is exposed to climate change risk from natural disasters and severe weather, such as floods, ice storms, windstorms, earthquakes, wildfires or other severe weather that may result in damage or loss to its long-term care communities or retirement residences. These adverse events could cause substantial damage and/or revenue losses as well as cost increases. There can be no assurance that damages or losses caused by these adverse weather and natural events will be fully covered by insurance. Climate change may also have indirect effects on the Company's business by increasing the cost of property insurance on terms the Company finds acceptable or making it unavailable.

Over time, climate change may also affect the Company's operational expenses, including utilities and preventative maintenance expenses, as temperatures fluctuate. In addition, changes in federal, provincial or local legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of existing properties and could also require the Company to spend more on new developments or redevelopments without a corresponding increase in revenue.

Environmental liabilities

The Company is subject to various environmental laws and regulations under which it could become liable for the costs of removing or remediating certain hazardous, toxic or regulated substances released on or in the properties it owns or manages, or which have been disposed of at other locations, in some cases regardless of whether or not the Company knew of or was responsible for their presence. The failure to address such issues may adversely affect the Company's ability to sell properties or to borrow using properties as collateral and/or could potentially result in claims against the Company. Management of the Company is not currently aware of any material non-compliance, liability or other claim in connection with any of the Company's owned properties or those it manages. It is the Company's operating policy to obtain a

Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring or financing any property, or to otherwise obtain applicable reliance letters in respect thereof. Where Phase I environmental site assessments identify sufficient environmental concerns or recommend further assessments, Phase II or Phase III environmental site assessments are conducted. Notwithstanding the foregoing, there can be no assurance that the Company will not be required, at some future date, to incur significant costs to comply with environmental laws, or that our operations, business, assets, cash flow or the market price of our common shares will not be materially adversely affected by current or future environmental liabilities.

Environmental laws and regulations may change and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations may have a material adverse impact on the business, operating results and financial condition of the Company.

Corporate Responsibility and ESG

There is an increasing focus by investors, institutional investors, market participants, and other stakeholders on sustainability practices and ESG initiatives of companies. Although the Company makes disclosures surrounding ESG and prioritizes diversity and sustainability initiatives, there can be no assurances that it will score highly on ESG matters in the future. Investors may use ESG scores to compare peer companies when evaluating their investment strategies. The criteria by which ESG practices are assessed are constantly evolving, which could result in greater expectations and may require the Company to undertake costly initiatives to satisfy any new criteria. If the Company elects not to or is unable to satisfy new criteria, including not meeting the criteria of a specific third-party evaluator of ESG scores, some investors may conclude that our business practices are inadequate. The Company may face reputational damages in the event that its corporate responsibility standards do not meet the standards that various stakeholders seek. In the event that the Company communicates to undertake certain ESG goals or initiatives, and should it fail or perceive to have failed in achieving the goals or initiatives, it could be criticized for the scope of its goals or initiatives. If the Company fails to meet or satisfy the ESG expectations of stakeholders or investors, or its initiatives are not executed as planned, this could negatively impact its financial condition and performance and cause the value of the common shares to decline. In addition, the Company could incur additional costs and require additional resources to help monitor, reply, and comply with various ESG practices. Investors may decide to refrain from investing in the Company as a result of their assessment of its approach and consideration of various ESG factor.

Tax rules and regulations

The Company is subject to audits from federal and provincial tax jurisdictions and is therefore subject to risk in the interpretation of tax legislation and regulations. Tax rules and regulations are complex and require careful review by the Company's tax management and its external tax consultants. Differences in interpretation of tax rules and regulations could result in tax assessments and penalties for the untimely payment of the determined tax liability, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Geographic concentration

A majority of the business and operations of the Company is conducted in Ontario, although the Company

also has a significant presence in Saskatchewan and British Columbia, and manages a property in Alberta. In 2024, the Company agreed to purchase four continuing care homes in Alberta. This acquisition is expected to be completed in early 2025. The fair value of the Company's assets and the income generated therefrom may be adversely impacted by changes in local and regional economic conditions in these jurisdictions.

Social Media and Company Publicity

There has been a marked increase in the use of social media platforms and similar channels, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and the accuracy of such information is not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. The Company's reputation is important for attracting new residents and team members as well as providing continued services to existing residents. While the Company believes that it has a good reputation and that it provides residents with a superior service, there can be no assurance that the Company will continue to maintain a good relationship with its residents or team members or avoid negative publicity. Negative posts or comments about the Company or its business on the internet or any social networking website or platform could damage the Company's reputation. In addition, despite the Company's efforts to educate and inform its team members regarding confidential information, they or others may disclose non-public material information relating to the Company's business through these or other channels. Any such breach of confidentiality or negative publicity could have a material adverse effect on the Company's reputation, business, financial condition, operating results and cash flows.

Artificial Intelligence

The Company may incorporate artificial intelligence ("AI") solutions into its IT infrastructure, and these applications may become important in its operations over time. The Company's competitors or other third parties may incorporate AI into their products and services more quickly or more successfully than that Company, which could impair its ability to compete effectively and adversely affect its results of operations. Additionally, if the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, the Company's business, reputation, financial condition, and results of operations could be adversely affected.

The use of AI applications may result in cybersecurity incidents which could adversely affect the Company's reputation and results of operations. AI also presents emerging ethical issues, such as the proper use of copyrighted material with AI applications, and if the Company's use of AI becomes controversial, it may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain the Company's IT infrastructure and systems to ensure the Company implements AI ethically and minimizes any unintended and harmful impacts.

Risks Relating to a Public Company and Common Shares

Volatile market price for securities of the Company

The market price for securities of the Company, including the common shares, may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of future results of operations of the Company or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- additions to, or departures of, the Company's senior management and other key personnel;
- imposition or removal of re-sale restrictions on common shares issued pursuant to exemptions under applicable securities laws;
- sales or anticipated sales of additional securities, including common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the securities of the Company may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

Sienna Senior Living Inc. ("SSLI") is a holding company

SSLI is a holding company and a substantial portion of its assets consist of the partnership units of its subsidiaries. As a result, investors in SSLI are subject to the risks attributable to its subsidiaries. As a holding company, SSLI conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenues. Consequently, the Company's cash flows and ability to complete existing or future opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to SSLI. The ability of these entities to pay distributions to SSLI depends on their operating results and may be subject to applicable laws and regulations and to contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to SSLI.

Dividend policy

Commencing with the December 2012 dividend, the Board established a dividend policy authorizing the declaration and payment of an annual dividend of \$0.90 per common share, to be paid to holders of common shares on a monthly basis. The annual dividend increased by 2% to \$0.918 per common share starting with the September 2018 dividend for shareholders of record on August 31, 2018. The annual dividend was further increased by 2% to \$0.936 per common share starting with the September 2019 dividend for shareholders of record on August 30, 2019. Any determination to pay cash dividends is at the discretion of the Board after taking into account such factors as the Company's financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, the requirements of any future financing agreements and other factors that the Board may deem relevant. Cash dividends are not guaranteed and may fluctuate or cease based on the performance of the Company.

Compliance with financial reporting and other requirements as a public company

The Company is subject to reporting and other obligations under applicable Canadian securities laws and Toronto Stock Exchange rules, including Canadian Securities Administrators National Instrument 52-109. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its securities.

Management of the Company does not expect the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management of the Company's override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Future sales of the Company's securities by directors and executive officers

Subject to compliance with applicable securities laws, officers and directors and their associates may sell some or all of their securities in the Company in the future. No prediction can be made as to the effect, if any, such future sales will have on the market price of the Company's securities prevailing from time to time. However, the future sale of a substantial number of securities by the Company's officers and directors and their associates, or the perception that such sales could occur, may have a material adverse impact on prevailing market prices for the Company's securities.

Conflicts of interest

Certain of the directors and officers of the Company may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Pursuant to applicable law, any decision made by any of such directors and officers involving the Company must be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company.

Dilution and future sales of the Company's securities

The Company's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares, and shareholders have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion, subject to compliance with applicable laws, to determine the price and the terms of issue of further issuances of common shares and preferred shares.

Controls and Procedures

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Such disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported, on a timely basis, to senior management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, so that they can make appropriate decisions regarding public disclosure. The Company's system of disclosure controls and procedures include, but are not limited to, its Code of Business Conduct and Ethics, Disclosure & Insider Trading Policy, Whistleblower Policy, clearly articulated corporate values, procedures in place to systematically identify matters warranting consideration of disclosure by its Disclosure Committee, verification processes for financial and non-financial metrics and information contained in annual and interim filings (including the consolidated financial statements, MD&A, AIF and other documents and external communications), and detailed policies outlining the delegation of authority within the Company.

As required by NI 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, a quarterly evaluation of the adequacy of the design and effective operation of the Company's disclosure controls and procedures was conducted, under the supervision of and with the participation of management of the Company (including the President and Chief Executive Officer, and the Chief Financial Officer) as at December 31, 2024. The evaluation included documentation review, enquiries and other procedures considered by management to be appropriate in the circumstances. Based on that evaluation, the President and Chief Executive Officer, and the Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2024.

Internal control over financial reporting

Management of the Company is also responsible for establishing and maintaining appropriate internal control over financial reporting. The Company's internal control over financial reporting include, but are not limited to, detailed policies and procedures related to financial accounting, reporting and controls and systems that process and summarize transactions. The Company's procedures for financial reporting also

include the active involvement of qualified financial professionals, senior management and the Company's Audit Committee.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can only provide reasonable, and not absolute, assurance with respect to the reliability of financial reporting and the preparation and presentation of financial statements for external purposes in accordance with IFRS Accounting Standards. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including any instances of fraud, have been detected. Controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by management's override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential (future) conditions.

As also required by NI 52-109, management, including the President and Chief Executive Officer and the Chief Financial Officer, evaluated the adequacy of the design (quarterly) and operating effectiveness (annually) of the Company's internal control over financial reporting as defined in NI 52-109, as at December 31, 2024. In making this assessment, management, including the President and Chief Executive Officer and the Chief Financial Officer, used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013). This evaluation included review of the documentation of controls, evaluation of the design and testing the operating effectiveness of controls, and a conclusion about this evaluation. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that the design and operation of the internal control over financial reporting were effective as at December 31, 2024, in providing reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards.

Changes in internal control over financial reporting

During the year ended December 31, 2024 there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Forward-Looking Statements

This MD&A, and the documents incorporated by reference herein, contain forward-looking information that reflects management's current expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for the Company, the senior living sector and government funding as of the date of this MD&A. Forward-looking statements are based upon a number of assumptions and involve significant known and unknown risks and uncertainties, many of which are beyond our control, the completion of acquisitions, dispositions and financing activities relating thereto, and statements with respect to the Company's ability to refinance debt maturities, that could cause actual results to differ from those that are disclosed in or implied by such forward-looking statements. The words "plan", "expect", "schedule", "estimate", "intend", "budget", "anticipate", "project", "forecast", "believe", "continue", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "should", "would", "might" occur and other similar expressions, identify

forward-looking statements. While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have based the forward-looking statements in this MD&A on information currently available to us and that we currently believe are based on reasonable assumptions. However, there may be factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect the Company. See risk factors highlighted in materials filed with the securities regulators in Canada from time to time, including the Company's latest AIF.

Consolidated Financial Statements

2024 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

Consolidated Financial Statements

Management's Responsibility for Financial Reporting	1	19 Employee salaries and benefits	45
Independent Auditor's Report	2	20 Key management compensation	46
Consolidated Statements of Financial Position	6	21 Trust funds	46
Consolidated Statements of Changes in Equity	7	22 Economic dependence	46
Consolidated Statements of Net Income and Comprehensive Income	8	23 Administrative expenses	46
Consolidated Statements of Cash Flows	9	24 Expenses and other items by category	47
Notes to the Consolidated Financial Statements:		25 Subsidiaries	48
1 Organization	10	26 Segmented information	48
2 Basis of preparation	10	27 Joint arrangements	52
Summary of material accounting policy information and significant judgments and estimates	10	28 Commitments and contingencies	55
4 Acquisitions	23	29 Subsequent events	57
5 Financial instruments	25		
6 Capital management	31		
7 Restricted cash	32		
8 Construction funding receivable	32		
9 Property and equipment	33		
10 Intangible assets	34		
11 Goodwill	34		
12 Accounts payable and other liabilities	34		
13 Long-term debt	35		
14 Net finance charges	39		
15 Income taxes	39		
16 Share capital	40		
17 Dividends	41		
18 Share-based compensation	42		

Management's Responsibility for Financial Reporting

The consolidated financial statements are the responsibility of the management of Sienna Senior Living Inc. (the "**Company**"), and have been approved by the Board of Directors of the Company. These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board and include amounts that are based on estimates and judgments. Financial information contained elsewhere in this report is consistent with the consolidated financial statements.

The Company maintains a system of internal controls that are designed to provide reasonable assurance that the financial records are reliable and accurate and form a proper basis for the preparation of the consolidated financial statements.

The consolidated financial statements have been examined by the Board of Directors and by its Audit Committee. The Audit Committee meets with management to review the activities of each, and reports to the Board of Directors. The auditor has direct and full access to the Audit Committee and meets with the Audit Committee both with and without management present on a quarterly basis. The Board of Directors, directly and through its Audit Committee, oversees management's responsibilities and is responsible for reviewing and approving the consolidated financial statements.

The external auditor, Deloitte LLP, has audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to shareholders and the Board of Directors their opinion on the consolidated financial statements. The following report of Deloitte LLP outlines the scope of their examination and their opinion on the consolidated financial statements.

"Nitin Jain"

Nitin Jain

President and Chief Executive Officer

"David Hung"

David Hung

Chief Financial Officer and Executive Vice
President, Investments

Markham, Canada

February 19, 2025

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Sienna Senior Living Inc.

Opinion

We have audited the consolidated financial statements of Sienna Senior Living Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of changes in equity, net income and comprehensive income, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Goodwill and indefinite-lived intangible assets - Refer to Notes 3, 10 and 11 to the Financial Statements

Key Audit Matter Description

The Company's annual evaluation of goodwill and indefinite-lived intangible assets (specifically "licenses") for impairment involves the comparison of the recoverable amounts to the respective carrying values.

The recoverable amount is the higher of its fair value less costs of disposal and its value in use. Goodwill is monitored at the operating segment level and licenses are monitored for each individual long-term care property's cash generating unit ("identified CGUs"). To evaluate goodwill of the Retirement operating segment, the Company used the discounted cashflow model to estimate value in use, which requires management to make significant assumptions related to the discount rate and terminal growth rate. To evaluate goodwill of the Long-term Care operating segment and the licenses of the identified CGUs the Company used the direct capitalization method to estimate value in use, which requires management to make significant assumptions related to the capitalization rates. The identified CGUs and the operating segments' recoverable amounts exceeded their carrying values and no impairment was recognized.

Auditing the significant assumptions used to determine the value in use of the (1) Retirement operating segment, specifically the discount rate and terminal growth rate, and (2) the Long-term Care operating segment and the identified CGUs, specifically the capitalization rates, required specialized knowledge and a high degree of auditor judgment, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of fair value specialists, our audit procedures related to the significant assumptions used to determine the value in use included the following audit procedures, among others:

- Evaluated the discount rate and terminal growth rate by:
 - Testing the source information underlying the determination of the discount rate and the terminal growth rate;
 - Developing a range of independent discount rates and terminal growth rates and comparing the discount rate and terminal growth rate selected by management.

- Evaluated the capitalization rates by:
 - Testing the source information underlying the determination of the capitalization rates;
 - Considering the implicit capitalization rates of comparable recent market transactions in the industry and comparing the capitalization rates selected by management.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Antonio Ciciretto.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

February 19, 2025

Consolidated Statements of Financial Position
As at December 31, 2024 and December 31, 2023

Thousands of Canadian dollars

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		127,202	24,404
Accounts receivable and other receivables		18,432	16,111
Prepaid expenses and deposits		13,321	10,677
Government funding receivable		3,387	5,076
Construction funding receivable	5, 8	1,333	2,559
Derivative assets	5	1,194	1,588
Income taxes recoverable		—	283
		164,869	60,698
Non-current assets			
Derivative assets	5	446	1,676
Restricted cash	7	2,736	2,541
Construction funding receivable	5, 8	4,868	6,212
Investment in joint ventures	27	131,775	145,664
Property and equipment	9	1,194,272	1,116,449
Intangible assets	10	195,938	197,200
Goodwill	11	164,903	164,903
Total assets		1,859,807	1,695,343
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	12	151,821	136,627
Government funding payable		145,553	121,539
Current portion of long-term debt	5, 13	72,233	248,496
Current portion of share-based compensation liability	18	7,058	3,888
Income taxes payable		11,441	—
Derivative liabilities	5	—	1,797
		388,106	512,347
Non-current liabilities			
Long-term debt	5, 13	940,112	758,153
Deferred income taxes	15	46,523	49,315
Share-based compensation liability	18	4,345	1,757
Total liabilities		1,379,086	1,321,572
EQUITY			
Shareholders' equity		480,721	373,771
Total equity		480,721	373,771
Total liabilities and equity		1,859,807	1,695,343

Commitments and contingencies (Note 28)

See accompanying notes

Approved by the Board of Directors of Sienna Senior Living Inc.

"Shelly Jamieson"

Shelly Jamieson
Chair and Director

"Stephen Sender"

Stephen Sender
Director

Consolidated Statements of Changes in Equity
As at December 31, 2024 and December 31, 2023

Thousands of Canadian dollars

	Notes	Share capital	Contributed surplus	Shareholders' deficit	Total shareholders' equity
Balance, January 1, 2024		964,843	203	(591,275)	373,771
Issuance of shares, net of share issuance costs	16	140,587	—	—	140,587
Net income		—	—	38,403	38,403
Long-term incentive plan	16	24	—	—	24
Dividends	17	—	—	(72,064)	(72,064)
Balance, December 31, 2024		1,105,454	203	(624,936)	480,721

	Notes	Share capital	Contributed surplus	Shareholders' deficit	Total shareholders' equity
Balance, January 1, 2023		964,514	203	(530,025)	434,692
Issuance of shares, net of share issuance costs	16	306	—	—	306
Net Income		—	—	7,038	7,038
Long-term incentive plan	16	23	—	—	23
Dividends	17	—	—	(68,288)	(68,288)
Balance, December 31, 2023		964,843	203	(591,275)	373,771

See accompanying notes.

Consolidated Statements of Net Income and Comprehensive Income
 Years ended December 31, 2024 and 2023

Thousands of Canadian dollars, except share and per share data

	Notes	Year ended December 31,	
		2024	2023
Revenue	22, 26	893,158	785,368
Expenses and other items			
Operating expenses, net of government assistance		704,014	642,588
Depreciation and amortization	9, 10	51,104	49,623
Administrative	23	35,054	29,092
Share of net loss in joint ventures	27	9,585	9,309
Net finance charges	14	37,896	40,443
Transaction costs		2,674	4,309
	24	840,327	775,364
Income before provision for (recovery of) income taxes		52,831	10,004
Provision for (recovery of) income taxes			
Current		15,454	1,718
Deferred		(1,026)	1,248
	15	14,428	2,966
Net income and comprehensive income		38,403	7,038
Net income per share (basic and diluted)	16	\$0.50	\$0.10
Weighted average number of common shares outstanding	16	76,291,724	72,955,978

See accompanying notes.

Consolidated Statements of Cash Flows
Years ended December 31, 2024 and 2023

Thousands of Canadian dollars

	Notes	Year ended December 31,	
		2024	2023
OPERATING ACTIVITIES			
Net income		38,403	7,038
Add (deduct) items not affecting cash			
Depreciation of property and equipment	9	47,767	47,923
Amortization of intangible assets	10	3,337	1,700
Current income tax expense		15,454	1,718
Deferred income tax (recovery) expense		(1,026)	1,248
Share of net loss in joint ventures	27	9,585	9,309
Share-based compensation expense	18, 23	5,248	2,918
Shares issued pursuant to Sienna Ownership and Reward program	16, 23	471	306
Net finance charges	14	37,896	40,443
Restructuring costs expense (recovery)	23	200	(1,826)
Transaction costs		—	2,127
		157,335	112,904
Non-cash changes in working capital			
Accounts receivable and other receivables		(2,300)	2,887
Prepaid expenses and deposits		(2,644)	3,669
Accounts payable and other liabilities		14,597	7,190
Government funding, net		25,703	6,049
		35,356	19,795
Interest paid on long-term debt	14	(41,460)	(40,357)
Net settlement recovery on interest rate swap contracts	14	2,428	3,489
Income taxes paid		(3,730)	(4,733)
Government assistance related to pandemic expenses		—	35,607
Cash provided by operating activities		149,929	126,705
INVESTING ACTIVITIES			
Purchase of property and equipment	9	(148,026)	(61,782)
Government assistance related to capital expenditures	9	22,436	6,305
Acquisition of Woods Park	4	—	(14,711)
Acquisition of Nicola Lodge	4	—	(14,649)
Purchase of intangible assets	10	(2,075)	(2,327)
Amounts received from construction funding	8	2,839	6,323
Interest received	14	4,237	1,810
Investment in joint ventures	27	(1,445)	—
Distributions received from joint ventures	27	5,749	4,100
(Increase) decrease in restricted cash		(195)	916
Cash used in investing activities		(116,480)	(74,015)
FINANCING ACTIVITIES			
Net proceeds from issuance of common shares	16	137,224	—
Repayment of long-term debt	13	(286,193)	(189,308)
Proceeds from long-term debt	13	296,597	201,782
Deferred financing costs		(8,094)	(10,522)
Dividends paid	17	(70,185)	(68,288)
Cash provided by (used in) financing activities		69,349	(66,336)
Increase (decrease) in cash and cash equivalents during the year		102,798	(13,646)
Cash and cash equivalents, beginning of year		24,404	38,050
Cash and cash equivalents, end of year		127,202	24,404

See accompanying notes.

1 Organization

Sienna Senior Living Inc. (the "**Company**") and its predecessors have been operating since 1972. The Company is a seniors' living provider serving the continuum of independent living ("**IL**"), independent supportive living ("**ISL**"), assisted living ("**AL**"), memory care ("**MC**") and long-term care ("**LTC**" or "**Long-term Care**") through the ownership and operation of seniors' living residences in the Provinces of British Columbia, Saskatchewan, and Ontario. As at December 31, 2024, the Company owns and operates a total of 82 seniors' living residences: 40 retirement residences ("**RRs**" or "**Retirement Residences**") (including the Company's joint venture interest in 12 residences in Ontario and Saskatchewan, and 70% joint venture interest in one residence in Ontario); 34 LTC residences; and eight seniors' living residences providing both private-pay IL and AL and funded LTC (including the Company's joint ownership in two residences in British Columbia). The Company also provides management services to 12 seniors' living residences in British Columbia, Alberta and Ontario.

The Company was incorporated under the Business Corporations Act (Ontario) on February 10, 2010 and was subsequently continued under the Business Corporations Act (British Columbia) on March 18, 2010. The Company closed the initial public offering of its common shares on March 23, 2010 and is traded on the Toronto Stock Exchange ("**TSX**") under the symbol "SIA".

The Company's business is carried on through a number of wholly owned limited partnerships and joint ventures formed under the laws of the Province of Ontario. The head office of the Company is located at 302 Town Centre Blvd., Suite 300, Markham, Ontario, L3R 0E8. The registered office of the Company is located at 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

As at December 31, 2024, the Company had outstanding 82,661,000 common shares.

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements were approved by the Board of Directors on February 19, 2025.

3 Summary of material accounting policy information and significant judgments and estimates

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for derivatives, which are measured at fair value.

Basis of preparation

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and

associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below under the heading "Significant judgments and estimates."

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised and in future periods, if affected.

The following accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

Restatement of prior period figures in Note 10 Intangible Assets

The Company retrospectively derecognized certain fully amortized resident relationships and service contracts that no longer have future economic benefits as at December 31, 2023. The derecognition reduced each of cost and accumulated amortization by \$170,871, with no impact to net book value of intangible assets. The restatement is limited to Note 10, and has no impact elsewhere on these consolidated financial statements.

Basis of consolidation and business combinations

The consolidated financial statements comprise the financial statements of the Company and its direct and indirect subsidiaries, as well as its proportionate share of interest in joint operations. The financial statements of the subsidiaries and joint arrangements are prepared for the same reporting periods as the Company, using consistent accounting policies.

The acquisition method of accounting is used to account for the acquisition of subsidiaries and joint arrangements. Total consideration for the acquisition is measured at the fair value of the assets transferred and equity instruments issued on the date of acquisition. Transaction costs related to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities assumed are measured at their fair value at the date of acquisition. The excess of fair value of consideration transferred above the fair value of the identifiable net assets acquired is recorded as goodwill, with any negative goodwill recognized in net income on the acquisition date.

Subsidiaries are 100% owned and controlled by the Company. Subsidiaries are consolidated in these consolidated financial statements from the date of acquisition where control is transferred to the Company and continue to be consolidated until the date when the Company no longer controls the subsidiary.

All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

Joint arrangements

Joint arrangements are jointly controlled by the Company and a third party in terms of decision making. Joint arrangements can be classified as either joint operations or joint ventures depending on the Company's rights and obligations in the arrangement based on factors such as the structure, legal form and contractual terms of the arrangement. A joint operation is where the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is where the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint operations are proportionately consolidated in these consolidated financial statements from the date when joint control is transferred to the Company and continues to be proportionately consolidated until the date when the Company no longer has joint control over the joint operation.

Joint ventures are included in the Company's consolidated financial statements as investments using the equity method, whereby the investment is initially recognized at cost, and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income or loss of the joint venture from the date of acquisition, increased by the Company's contributions and reduced by distributions received. The Company's share of joint venture profit or loss is included in the consolidated statements of net income and comprehensive income. A joint venture is considered to be impaired if there is objective evidence of impairment, as a result of one or more events that occurred after initial recognition of the joint venture, and that event has a negative impact on future cash flows of the joint venture that can be reliably estimated.

Revenue recognition

Revenue includes amounts earned from the operation of LTC, RRs and management fees associated with the operation of managed LTC and retirement residences. A significant portion of the LTC revenue is earned from health authorities. In accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), revenue is recognized to depict the transfer of goods or services to customers at an amount the Company expects to be entitled to in exchange for those goods or services.

Long-term care revenue

LTC revenue is recognized in the period in which the services are rendered. The performance obligation of providing accommodation and care to LTC residents is met through passage of time and when the bundled services are rendered. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur, such that funding from the applicable health authorities is recognized to the extent that the funding requirements are met.

Ontario's LTC sector is regulated by the Ministry of Long-Term Care ("**MLTC**"), which provides funding to LTC residences for care. Operational funding is received monthly and is recognized to the extent that an eligible expense has been incurred. Funding that is not spent in accordance with the MLTC guidelines in the current year is recorded as government funding payable. The exception to this is the Other Accommodation funding, including co-payments for accommodation paid by the residents, which is recognized as the services are rendered. Co-payment revenue from residents for accommodation is recognized based on the number of resident days in the period multiplied by the per diem amounts

legislated by the MLTC to the extent that the amounts are deemed to be collectible. Revenue for each Ontario LTC residence is recognized based on full occupancy if the Ontario LTC residence is expected to have an occupancy rate of 97% or above. For occupancy levels above 90% and below 97%, the adjustment range is up to 2% over actual occupancy. There is no adjustment to occupancy below the 90% threshold. The Company also receives funding for LTC minor capital expenditures, capital cost, accreditation and pay equity obligations, and reimbursement for up to 85% of property tax costs.

The funding contracts between LTC operators and the applicable health authorities in British Columbia are on a per diem basis, adjusted annually, for resident services provided and capital cost of the residences, and outline the hours of direct care required by a resident per day, minimum occupancy thresholds and minimum levels of professional staffing. If the requirements in the funding contracts are not met, the funding per diem may be clawed back. In addition, there is resident co-payment revenue which is based on the number of resident days in the period multiplied by the per diem amounts legislated by the applicable health authorities which is recognized to the extent that the amounts are deemed to be collectible. Each resident's co-payment is determined by the applicable health authority and is based on individual resident income levels. Resident co-payments in excess of certain thresholds are clawed back by the applicable health authorities to the base funding per diem.

In British Columbia, operators may designate a number of beds for private-pay LTC whereby the operator provides the same level of care and services to the resident as in the funded beds. Revenue is recognized as the services are rendered.

Retirement residence revenue

Residents pay for accommodations on a monthly basis and the revenue is recognized when the service is rendered. Residents pay for other services on a monthly basis and the performance obligation of providing the other services is met over time as the services are rendered.

Management services revenue

The Company earns a management fee based on a percentage of gross revenues of the operations for managing LTC and retirement residences for third parties. Revenue is recognized when the services are rendered.

Government assistance

Government assistance is recognized only to the extent that eligible expenses have been incurred, when the Company has reasonable assurance that the assistance will be received and the Company will comply with all relevant conditions attached to the assistance. Funding may be clawed back if the eligibility criteria are not met or funding is not spent. Government assistance is recognized as a reduction of related expenses and recognized over the period necessary to match the related expenses in these consolidated statements of net income and comprehensive income.

Construction funding receivable

In Ontario, the MLTC provides funding to LTC residences constructed after April 1, 1998 on a per bed per diem basis to support the costs of developing or redeveloping an eligible LTC home over 20 to 25 years. The construction funding receivable is initially recognized at fair value and subsequently

measured at amortized cost. Specifically, fair value of the construction funding receivable is determined by discounting the expected future cash flows of the receivable using the applicable Government of Ontario bond rates. The fair value will differ from the carrying value due to changes in interest rates.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are capitalized to the asset's carrying amount or are recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the cost will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repair and maintenance costs are charged to net income during the period in which they are incurred.

The Company records depreciation at rates designed to depreciate the cost of the property and equipment less the estimated residual value over the estimated useful lives. The annual depreciation rates and methods are as follows:

Land	Not depreciated
Buildings	10 to 55 years straight-line
Furniture and fixtures	3 to 10 years straight-line
Automobiles	5 years straight-line
Computer hardware	3 to 5 years straight-line
Circulating equipment	3 years straight-line
Construction in progress	Not depreciated

Land includes land currently in use or held for future development, which is valued at cost.

The Company allocates the initial cost of an item of property and equipment to its significant components and depreciates separately each such component. Residual values, method of depreciation and useful lives of the assets are reviewed at least annually and are adjusted as appropriate. Gains and losses on disposals of property and equipment are included in net income.

Circulating equipment is comprised of china, linen, glassware and silverware in circulation, which is valued at cost. The cost of acquiring a basic stock and any substantial replacement incurred thereafter is capitalized, with the original cost written off to the consolidated statements of net income and comprehensive income.

Construction in progress includes costs incurred for properties under construction but not yet completed, including cost of funds used to finance the construction, and is valued at cost. No depreciation is recorded on the assets until the construction is completed and the related assets are available for use. Once construction is completed, construction in progress, including cost of funds used

to finance the construction, is transferred to the respective property and equipment categories, and depreciation on such assets begins.

Intangible assets

Intangible assets include LTC licences, resident relationships, service contracts and computer software that is not integral to the computer hardware included in property and equipment. Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite lives are measured at cost less accumulated impairment losses and are not amortized. The annual amortization rates and methods are as follows:

Licences	Not amortized
Resident relationships	2 to 3 years straight-line
Service contracts	2 to 8 years straight-line
Computer software	5 years straight-line

Borrowing costs

General and specific borrowing costs that are attributable to the acquisition or development of a qualifying asset are capitalized during the period the asset is being prepared for its intended use. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where relevant, then by applying a weighted average cost of borrowings to remaining eligible expenditures after adjusting for borrowings associated with other specific developments. Qualifying assets are assets that take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

Goodwill

Goodwill arises on the acquisition of a business acquired, and is the excess of the purchase consideration over the fair value attributable to the net identifiable assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the operating segment containing the goodwill is compared to the recoverable amount. The recoverable amount of the operating segment is determined as the higher of its value in use or the fair value less costs of disposal.

Recoverable amount for our retirement operating segment is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset. These cash flows are discounted to arrive at the recoverable amount. In assessing fair value, the estimated future cash flows covering a five-year period are derived from the most recent financial budget, adjusted where

appropriate to reflect market participant assumptions. Cash flows beyond the five-year period are extrapolated using the estimated growth rate. The significant assumptions used in the valuation include discount rates and terminal growth rates.

Recoverable amount for long-term care operating segment is determined using the direct capitalization method. This method considers capitalization rates derived from transactions involving properties comparable to the subject properties. The capitalization rate is applied to a stabilized single-year estimate of net operating income to determine fair value. The significant assumptions used in the valuation are capitalization rates.

Any impairment is recognized immediately as an expense and is not subsequently reversed.

Impairment of property and equipment and finite-lived intangible assets

The Company reviews the carrying amounts of its property and equipment and finite lived intangible assets at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Non-financial assets, other than goodwill, that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

Impairment of indefinite-lived intangible assets

The Company accounts for long-term care licences as indefinite-lived intangible assets. These indefinite-lived intangible assets do not generate largely independent cash inflows and are therefore tested as part of the CGUs to which they belong. The Company has defined each owned residence to be a CGU. CGUs that contain indefinite-lived intangibles are tested for impairment annually and whenever there is an indication of impairment. The carrying value of each CGU is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

Recoverable amount is determined using the direct capitalization method. This method considers capitalization rates derived from transactions involving properties comparable to the subject properties. The capitalization rate is applied to a stabilized single-year estimate of net operating income to determine fair value. The significant assumptions used in the valuation are capitalization rates.

Cash and cash equivalents

Cash and cash equivalents include deposits held with Canadian chartered banks and short-term investments with original maturities of 3 months or less, are accounted for at amortized cost, which approximates fair value. Interest earned is recorded in the consolidated statements of net income and comprehensive income.

Accounts receivable and other receivables

Accounts receivable and other receivables are initially recorded at fair value and subsequently are measured at amortized cost. The carrying value of accounts receivable and other receivables, after

consideration of the provision for doubtful accounts, approximates their fair value due to the short-term maturity of these instruments.

Restricted cash

Restricted cash consists of deposits held with Canadian chartered banks and capital maintenance reserves required for certain mortgages. Restricted cash is measured at amortized cost, which approximates fair value.

Government funding receivable/payable

The government funding balances are measured at amortized cost. Government funding receivable/payable represents the difference between the amounts earned and those received from the health authorities, which are non-interest bearing. The carrying value of the government funding closely approximates its fair value due to the relatively short term nature and low discount rates for these balances.

Long-term debt

The Company's long-term debt and corresponding deferred financing cost is initially recorded at fair value and is subsequently measured at amortized cost using the effective interest method. The fair value of the Company's long-term debt is subject to changes in interest rates and the Company's credit rating.

Derivatives for which hedge accounting has not been applied

The Company has interest rate swap contracts and total return swap contracts for which hedge accounting has not been applied. These interest rate swap contracts and total return swap contracts are carried at fair value and are reported as assets where they have a positive fair value and as liabilities where they have a negative fair value. The changes in fair value are recorded in net finance charges of the consolidated statements of net income and comprehensive income.

Impairment of financial assets

Financial assets are reviewed at each consolidated statement of financial position date to assess whether there is objective evidence that indicates an impairment of a financial asset. If such evidence exists, the Company recognizes an impairment loss measured as the excess of the carrying amount over the fair value of the asset, which is reflected in net income.

Transaction costs

Transaction costs are incremental costs directly related to the acquisition of an asset, costs incurred for pre-acquisition research, the issuance of a financial liability or equity, or development related activities. Transaction costs associated with the acquisition of an asset are capitalized as part of the asset. The Company incurs transaction costs primarily through business acquisitions, development of assets and the issuance of debt or shares, and classifies these costs with the related debt, or as a reduction of the value of the proceeds received for the share issuance. Transaction costs associated with business

acquisitions are expensed as incurred. Transaction costs associated with the issuance of debt are netted against long-term debt as deferred financing costs and are amortized through interest expense using the effective interest method over the life of the related debt instrument. Transaction costs directly attributable to the issuance of shares are recognized as a reduction of share capital.

Restructuring costs

A provision for restructuring costs is recognized when there is a present obligation resulting from a past event, it is probable that there will be an outflow of resources to settle the obligation, and a reliable estimate of the obligation can be made. The restructuring costs are included in administrative expenses in these consolidated statements of net income and comprehensive income.

Leases

The company applies IFRS 16, *Leases* ("IFRS 16"), to account for its leases including optional recognition exemptions.

The Company leases its office space and equipment. Rental contracts are typically made for fixed periods of five years for equipment and 10 years for office space. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The right-of-use asset is depreciated over the remaining term of the lease and recognized as depreciation expense. The lease liability are initially recognized at the present value of the remaining lease payments at the commencement date and discounted at the Company's incremental borrowing rate. After initial recognition, the lease liability is subsequently measured at its amortized cost using the effective interest method.

In accordance with the practical expedients of IFRS 16, the Company has elected to not recognize right-of-use assets or lease liabilities for any leases with a term shorter than twelve months or leases with low value underlying assets.

Earnings per share

Basic earnings per share ("**EPS**") is calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

Share-based compensation

The Company applies the fair value method of accounting for share-based compensation. The loans offered to senior executives related to the long-term incentive plan were recorded as a reduction to

shareholders' equity. The fair value of restricted share units, deferred share units and executive deferred share units are measured based on the closing price of the Company's shares and performance multiplier, as applicable, at each reporting date. The expense related to share-based compensation is recognized in administrative expenses.

The Company has entered into cash-settle share swap contracts ("**Total Return Swap**") to manage its cash flow exposure under the share-based compensation plans. The change in fair values, interest expense and dividends earned on the total return swap contracts are recognized in administrative expenses.

Employee benefits

Short-term benefits

Short-term employee benefit obligations, including vacation and bonus payments, are measured on an undiscounted basis and are expensed as the related service is provided. Assuming the obligation can be reasonably estimated, liabilities are recognized for the amounts expected to be paid within the next 12 months as the Company has an obligation to pay the amount as a result of past service provided by the employee. These benefits are recorded in accounts payable and other liabilities.

Long-term benefits

Payments to group retirement savings plans are based on a percentage of gross wages and charged to expense as incurred.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Income taxes are comprised of current and deferred taxes. Income taxes are recognized in the consolidated statements of net income and comprehensive income except to the extent they relate to items recognized directly in other comprehensive income or shareholders' equity. Income tax balances are also recorded on initial recognition of a deferred tax asset or liability arising from business combinations.

Current taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

In general, deferred taxes are recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are also recognized on business acquisitions. Deferred taxes are determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent it is probable that the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. This applies when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Segmented reporting

IFRS 8, *Operating Segments*, requires reportable segments to be determined based on internal reports that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of allocating resources to the segment and assessing its performance. The Company has determined that its CODM is the President and Chief Executive Officer. The CODM measures and evaluates the performance of the Company's operating segments based on net income, which is consistent with segmented information reported for the year ended December 31.

The Company operates solely within Canada, hence, no geographical segment disclosures are presented. Segmented information is presented in respect of business segments, based on management's internal reporting structure.

Significant judgments and estimates

The preparation of these consolidated financial statements under IFRS Accounting Standards requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are discussed below.

Long-term care licences

In Ontario, the Fixing Long-Term Care Act ("**FLTCA**") contains a licence term regime for all LTC residences which will result in licence terms for the Company's residences ranging from 15 years for Class B and C residences to 30 years for Class A residences. Under the FLTCA, ultimate control of LTC licences in Ontario remains with the MLTC, including approval of new licences, transfer, and renewal or revocation of existing licences. Although the licence does not support any guarantee of continued operation beyond the term of the licence, based on the current demographics in Canada and the demand for LTC beds projected to increase, management of the Company is of the view that licences will continue to be renewed.

In British Columbia, the LTC licences have an indefinite term.

Impairment analysis of indefinite-lived intangible assets (significant estimate)

The Company views long-term care licences as indefinite-lived intangible assets. These indefinite-lived intangible assets do not generate largely independent cash inflows and are therefore tested as part of

the cash generating units (CGUs) to which they belong. The Company has defined each owned residence to be a CGU. CGUs that contain indefinite-lived intangibles are tested for impairment annually and whenever there is an indication of impairment. The carrying value of each CGU is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

Fair value is determined using the direct capitalization method. This method considers capitalization rates derived from transactions involving properties comparable to the subject properties. The capitalization rate is applied to a stabilized single-year estimate of net operating income to determine market value. The significant assumptions used in the valuation include capitalization rates and growth rates.

Adoption of new and amended accounting pronouncements

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024. Effective January 1, 2024, the Company adopted these requirements. The application of this amendment did not have a material impact on the Company's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The International Accounting Standards Board ("IASB") also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is

required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024. Effective January 1, 2024, the Company adopted these requirements. The application of this amendment did not have a material impact on the Company's consolidated financial statements.

Accounting standards issued but not yet applied

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements around the structure of profit or loss, disclosures in financial statements for management defined performance measures and principles on aggregation and disaggregation applied to primary financial statements and notes. IFRS 18 will be effective January 1, 2027. The Company is currently working to identify all aspects of the standard and its impact on the Company's Consolidated Financial Statements.

There are no other accounting standards issued but not yet applied that would be expected to have a material impact on the Company.

4 Acquisitions

Acquisition of Woods Park Community & Retirement Living

On January 3, 2023, the Company completed the acquisition of a formerly managed retirement and long-term care community ("Woods Park") from a related party. Woods Park consists of 55 retirement suites and 123 Class A LTC Beds and is located in Barrie, Ontario. The total purchase price of the acquisition was allocated to the assets and liabilities as follows:

Assets	
Cash	2
Accounts receivable	5
Prepaid expenses and deposits	11
Property and equipment	26,300
Total assets	26,318
Liabilities	
Accounts payable and other liabilities	1,135
Long-term debt	10,472
Total liabilities	11,607
Net assets acquired	14,711
Cash consideration	14,711
Long-term debt assumed	10,807
Hold-back amount ⁽¹⁾	800
Total consideration	26,318

⁽¹⁾ Included in Accounts payable and other liabilities

Transaction costs expensed related to the acquisition for the year ended December 31, 2023 were \$629.

As part of the Woods Park acquisition, the Company assumed existing property-level mortgages in the amount of \$10,807 with a fair value of \$10,472 bearing interest of 4.27% which matured on and was repaid on December 29, 2024.

Woods Park contributed \$14,886 revenue and net income of \$551 to the Company for the period between the date of acquisition and December 31, 2023.

Acquisition of an additional 30% interest in Nicola Care Community Lodge

On December 31, 2023, the Company acquired an additional 30% interest in Nicola Care Community Lodge ("Nicola Lodge"), increasing the Company's interest in Nicola Lodge from 40% to 70% ("**Acquisition interest in Nicola**").

The Company has applied business combination accounting for the acquisition of the additional interest in Nicola Lodge, which is considered to be a joint operation and the activities of Nicola Lodge constitute a business.

The total net purchase price of acquisition during the year ended December 31, 2023 was allocated to the assets and liabilities on a preliminary basis as follows:

Assets	
Cash	1,389
Accounts receivable and other assets	115
Prepaid expenses	135
Property and equipment	22,040
Intangible assets	4,288
Total assets	27,967
Liabilities	
Accounts payable and accrued liabilities	973
Government funding payable	691
Long-term debt	11,654
Total liabilities	13,318
Net assets acquired	14,649
Cash consideration	14,649
Long-term debt assumed	11,847
Total consideration	26,496

Transaction costs expensed related to the Acquisition of interest in Nicola for the year ended December 31, 2023 were \$50.

As part of the Acquisition of interest Nicola, the Company assumed an additional 30% of the existing property-level mortgage in the amount of \$11,847 with a fair value of \$11,654, bearing interest at a rate of 5.01% and maturing on August 1, 2041.

5 Financial instruments

Fair value of financial instruments

Financial assets and liabilities are initially recognized on the date they originated at fair value, and their subsequent measurement is dependent on their classification as described below. The classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. In cases where the fair value option is chosen for financial liabilities, the portion of fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than net income, unless this creates an accounting mismatch.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Impairment of a financial asset is assessed using an expected credit loss model. The Company applies the simplified approach permitted by IFRS 9, *Financial Instruments* ("IFRS 9"), which uses a lifetime expected loss allowance for all applicable financial assets. To measure the expected credit losses, financial assets are grouped based on the shared credit risk characteristics and the days past due. Accounts receivable, government funding receivable and construction funding receivable are subject to the impairment requirements of IFRS 9.

Financial liabilities classified as amortized cost are measured using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the financial liabilities are recognized in net income in the consolidated statements of operations over the expected life of the debt.

A financial liability is derecognized when the Company's contractual obligations are discharged, cancelled or expired.

With respect to debt modifications, the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate are recognized in the consolidated statements of net income and comprehensive income during the year. When there is a substantial modification of the terms of an existing financial liability, this will be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the 10% test is passed, the Company performs a qualitative assessment to consider if the changes in the terms of the liability significantly affect the economic risks of the liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

fees incurred adjust the carrying amount of the liability and is amortized over the remaining term of the modified liability.

Financial instruments are comprised of cash and cash equivalents, accounts receivable and other receivables, construction funding receivable, government funding receivable/payable, restricted cash, accounts payable and accrued liabilities, long-term debt and interest rate swap contracts.

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments:

	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Accounts receivable and other receivables	Amortized cost
Government funding receivable	Amortized cost
Construction funding receivable	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Government funding payable	Amortized cost
Long-term debt	Amortized cost
Interest rate swap contracts	Fair value through profit or loss
Total return swap contracts	Fair value through profit or loss

The Company uses a fair value hierarchy to categorize the type of valuation techniques from which fair values are derived. Financial instruments are valued using unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), inputs that are observable for the assets or liabilities either directly or indirectly (Level 2) and inputs for assets or liabilities that are not based on observable market data (Level 3). Both the total return swap contracts and the interest rate swap contracts are carried at fair value through profit or loss and are considered to be Level 2 instruments. The carrying values of cash and cash equivalents, restricted cash, accounts receivable and other receivables, government funding receivable, and accounts payable and other liabilities and government funding payable approximate fair value.

The following financial instruments are measured at amortized cost and the corresponding fair values as at December 31, 2024 and December 31, 2023 are disclosed in the table below:

	As at December 31, 2024		As at December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Current and long-term portion of construction funding receivable	6,201	5,953	8,771	8,364
Financial liabilities				
Current and long-term portion of debt	1,012,345	1,005,059	1,006,649	971,609

The fair value of construction funding receivable is estimated by discounting the expected future cash flows using current applicable rates for Government of Ontario bonds of comparable maturity plus a risk premium. The fair value as at December 31, 2024 for the construction funding receivable was discounted using rates between 3.48% (2023 - 4.00%) and 4.75% (2023 - 5.42%).

The fair values of mortgages and credit facilities at variable rates approximate their carrying values (Note 13). The fair values of mortgages and debentures at fixed rates are estimated by discounting the expected future cash flows using the rates currently prevailing for similar instruments of similar maturities. The fair value as at December 31, 2024 for the fixed-rate debt was discounted using rates between 3.64% (2023 - 3.68%) and 5.65% (2023 - 6.23%).

Impairment charges on accounts receivable are discussed below. All finance income and costs from financial instruments have been disclosed in Note 14.

In December 2020, the Company entered into a Total Return Swap for 400,000 shares with a Canadian financial institution to manage its cash flow exposure under the share-based compensation plans. The Company hedged an additional 120,000 shares in August 2021 and 100,000 shares in December 2021. As at December 31, 2024, a total of 620,000 shares have been hedged. Under the Total Return Swap contracts, the Company makes periodic interest payments based on the total value of the notional amount of shares hedged, and receives monthly dividends based on the shares hedged. Upon settlement at maturity, the Company receives or remits the net difference between the total value of the notional equity amount of the number of shares hedged and the total proceeds from the sale of the underlying shares. The equity notional value of the Total Return Swap is \$8,920 and the fair value is \$9,684 as at December 31, 2024, with the change in fair value recognized in administrative expenses.

Maturities of financial instruments

For the years ending December 31, 2025 through 2029 and thereafter, the Company has estimated that the following undiscounted cash flows including interest, if applicable, will arise from its government funding receivable/payable, interest rate swap contracts, total return swaps, construction funding receivable and long-term debt at the consolidated statements of financial position dates:

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

	As at December 31, 2024					
	2025	2026	2027	2028	2029	Thereafter
Government funding receivable/payable						
Cash inflows	3,387	—	—	—	—	—
Cash outflows	(145,553)	—	—	—	—	—
	(142,166)	—	—	—	—	—
Interest rate swap contracts						
Cash inflows	2,436	1,761	1,093	281	—	—
Cash outflows	(2,006)	(1,474)	(961)	(254)	—	—
	430	287	132	27	—	—
Total return swaps						
Cash inflows	797	—	—	—	—	—
Cash outflows	(33)	—	—	—	—	—
	764	—	—	—	—	—
Construction funding receivable						
Cash inflows	1,537	1,340	570	572	479	2,759
Long-term debt						
Cash outflows	(96,910)	(227,343)	(188,105)	(179,580)	(179,599)	(368,410)
Net cash outflows	(236,345)	(225,716)	(187,403)	(178,981)	(179,120)	(365,651)

Nature and extent of risks arising from financial instruments

The following discussion is limited to the nature and extent of risks arising from financial instruments. The Company's normal operating, investing and financing activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. Although the Company has purchases in both Canadian and United States dollars, it does not have significant exposure to foreign currency risk as all operations are located in Canada. The Company does not have significant exposure to price risk as most of its revenues are regulated by the health authorities. The Company's overall risk management process is designed to identify, manage and mitigate business risk, which includes financial risk.

Interest rate risk

Interest rate risk arises as the fair value of future cash flows from a financial instrument can fluctuate because of changes in market interest rates. The Company is subject to interest rate risk on mortgages at variable rates associated with certain residences, which is offset by interest rate swap contracts. The Company has not applied hedge accounting for these interest rate swap contracts. Interest rates, maturities and security affecting the interest rate and credit risk of the Company's financial liabilities have been disclosed in Note 13. The notional value of the interest rate swap contracts is \$86,433 and is currently subjected to a weighted average interest rate of 3.65% as at December 31, 2024.

The Company's credit facilities are, and future borrowings may be, at variable rates of interest, which expose the Company to the risk of interest rate volatility.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, accounts receivable and other receivables, restricted cash, construction

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

funding receivable, government funding receivable and interest rate swap contracts. The Company is exposed to credit risk from its residents and customers. However, the Company has a significant number of residents and customers, which minimizes concentration of credit risk. The credit risk related to amounts owed by LTC residents is further mitigated by the Company's ability to recover certain amounts written off from the health authorities. Management's estimate of expected credit losses is established using a provision methodology based on historical experience, and the receivable is written off when it is uncollectible. Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated statements of net income and comprehensive income.

The continuity of the expected credit losses for trade receivables is as follows:

Balance, January 1, 2023	1,099
Provision for receivables during the year	3,880
Receivables written off during the year	(817)
Balance, December 31, 2023	4,162
Provision for receivables during the year	1,710
Receivables written off during the year	(944)
Balance, December 31, 2024	4,928

The aging analysis of these receivables, net of expected credit losses, is as follows:

	2024	2023
0 - 30 days	1,774	1,455
31 - 60 days	522	586
61 - 90 days	39	157
Over 90 days	377	288
	2,712	2,486

The Company is also exposed to credit risk through the amounts receivable from the health authorities. The Company has assessed the credit risk associated with the amounts owed by the health authorities as low, as they are receivable from governments. Management has also assessed the credit risk associated with the interest rate swap contracts, restricted cash, cash and cash equivalent balances as low given the counterparties are major Canadian financial institutions that have been accorded investment grade ratings by a primary rating agency.

Liquidity risk

Liquidity risk is the risk the Company may encounter difficulties in meeting its obligations associated with financial liabilities and commitments. The Company has credit agreements in place related to its long-term debt. These credit agreements contain a number of standard financial and other covenants. The Company was in compliance with all covenants on its borrowings as at December 31, 2024. A failure by the Company to comply with the obligations in these credit agreements could result in a default that if not rectified or waived, could permit acceleration of the relevant indebtedness.

As at December 31, 2024, the Company had negative working capital (current liabilities less current assets) of \$223,237 (December 31, 2023 - \$451,649), which is primarily related to the timing of debt maturity and timing of settling accounts payable. To support the Company's working capital deficiency,

the Company has available cash from operations, access to multiple sources of financing including available credit facilities.

Sensitivity analysis

IFRS Accounting Standards requires disclosure of a sensitivity analysis that is intended to illustrate the sensitivity of the Company's financial position, performance and fair value of cash flows associated with the Company's financial instruments to changes in market variables. The sensitivity analysis provided discloses the effect on the consolidated statements of net income and comprehensive income as at December 31, 2024 assuming that a reasonably possible change in the relevant risk variable has occurred as at December 31, 2024. The reasonably possible changes in market variables used in the sensitivity analysis were determined based on implied volatilities where available or historical data.

The sensitivity analysis has been prepared based on December 31, 2024 balances and on the basis that the balances, the ratio of fixed to variable rates of debt and the derivatives as at December 31, 2024 are all constant. Excluded from this analysis are all non-financial assets and liabilities that are not classified as financial instruments.

The sensitivity analysis provided is hypothetical and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced as the Company's actual exposure to market rates may change. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in the market variable and the change in fair values or cash flows may not be linear. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company.

	Year Ended December 31, 2024		
	Fair value	Market risk	
		-1%	+1%
	Comprehensive income	Comprehensive income	
Financial assets:			
Total return swap contracts ⁽²⁾	764	(99)	93
Interest rate swap contracts ⁽¹⁾	876	(1,315)	1,315
Financial liabilities:			
Debt at variable rates subject to interest rate risk ⁽¹⁾	30,298	(303)	303

	Fair value	Year Ended December 31, 2023	
		Market risk	
		-1%	+1%
		Comprehensive income	Comprehensive income
Financial assets:			
Interest rate swap contracts ⁽¹⁾	3,264	(2,203)	2,203
Financial liabilities:			
Debt at variable rates subject to interest rate risk ⁽¹⁾	25,000	(330)	330
Total return swap contracts ⁽²⁾	1,797	—	—

⁽¹⁾ Market risk represents interest rate sensitivity

⁽²⁾ Market risk represents share price sensitivity

Any changes in the interest payable under the mortgages at variable rates would be offset by a change in the cash flows from the related swap contracts.

6 Capital management

The Company defines its capital as the total of its long-term debt and shareholders' equity less cash.

The Company's objectives when managing capital are to: (i) maintain a capital structure that provides financing options to the Company for accessing capital, on commercially reasonable terms, without exceeding its debt capacity, pursuant to limitations in its credit facilities, or taking on undue risks; (ii) maintain financial flexibility in order to preserve its ability to meet financial obligations, including debt servicing payments and dividend payments; and (iii) deploy capital to provide an appropriate investment return to its shareholders.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue additional shares, issue additional long-term debt, issue long-term debt to replace existing long-term debt with similar or different characteristics, or adjust the amount of dividends paid to the Company's shareholders. The Company's financing and refinancing decisions are made on a specific transaction basis and depend on such things as the Company's needs, market, and economic conditions at the time of the transaction.

The Board of Directors reviews the level of monthly dividends paid on a quarterly basis.

The Company has property-level mortgages that are secured by each of the underlying properties' assets, guaranteed by the Company and are subject to certain customary financial and non-financial covenants. The Company is in compliance with all financial covenants on its borrowings. However, there can be no assurance that covenant requirements will be met at all times in the future. If the Company does not remain in compliance, its ability to amend the covenants or refinance its debt could be affected.

There were no changes in the Company's approach to capital management during the year.

7 Restricted cash

Restricted cash comprises the capital maintenance reserve funds required for certain property-level mortgages. As at December 31, 2024, the Company has \$2,736 in restricted cash (December 31, 2023 - \$2,541).

8 Construction funding receivable

As at December 31, 2024, the Company is eligible to receive funding from the Government of Ontario of approximately \$6,201 (December 31, 2023 - \$8,771) related to the costs of developing or redeveloping eligible LTC residences. The receipt of this funding is subject to the condition that the residences continue to operate as long-term care residences for the period for which the residences are entitled to the construction funding. As at December 31, 2024, the condition for the funding has been met.

As at December 31, 2024, the weighted average remaining term of the construction funding is approximately 10.6 years. The fair value of the construction funding receivable is determined by discounting the expected future cash flows of the receivable using the applicable Government of Ontario bond rates.

The following table summarizes the construction funding activity:

As at January 1, 2023	14,662
Add: Interest income earned	432
Less: Construction funding payments received	(6,323)
As at December 31, 2023	8,771
Add: Interest income earned	269
Less: Construction funding payments received	(2,839)
As at December 31, 2024	6,201
Less: Current portion	(1,333)
Long-term receivable	4,868

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

9 Property and equipment

	Land	Buildings ⁽³⁾	Furniture and fixtures	Automobiles	Computer hardware	Circulating equipment	Construction -in-progress	Right-of-use building and equipment ⁽¹⁾	Total
Cost									
At January 1, 2023	131,014	1,213,203	82,385	2,519	16,830	1,290	12,367	5,049	1,464,657
Acquisition of Woods Park	2,061	24,200	39	—	—	—	—	—	26,300
Acquisition of Nicola	3,540	18,090	410	—	—	—	—	—	22,040
Additions	—	6,066	6,214	179	2,405	60	36,439	1,916	53,279
Derecognition	—	—	—	—	—	—	(2,127)	(791)	(2,918)
At December 31, 2023	136,615	1,261,559	89,048	2,698	19,235	1,350	46,679	6,174	1,563,358
Additions ⁽²⁾	1,366	10,712	6,474	65	2,843	27	104,025	78	125,590
At December 31, 2024	137,981	1,272,271	95,522	2,763	22,078	1,377	150,704	6,252	1,688,948
Accumulated depreciation									
At January 1, 2023	—	335,876	49,276	1,469	9,483	1,183	100	2,390	399,777
Charges for the year	—	34,391	9,034	326	3,434	39	—	699	47,923
Derecognition	—	—	—	—	—	—	—	(791)	(791)
At December 31, 2023	—	370,267	58,310	1,795	12,917	1,222	100	2,298	446,909
Charges for the year	—	35,099	9,610	326	1,851	56	—	825	47,767
At December 31, 2024	—	405,366	67,920	2,121	14,768	1,278	100	3,123	494,676
Net book value									
At December 31, 2023	136,615	891,292	30,738	903	6,318	128	46,579	3,876	1,116,449
At December 31, 2024	137,981	866,905	27,602	642	7,310	99	150,604	3,129	1,194,272

⁽¹⁾ Includes right-of-use building and related depreciation of \$4,227 and \$2,373, respectively (December 31, 2023 - \$4,227 and \$1,939, respectively), and the right-of-use equipment and related depreciation of \$2,025 and \$750, respectively (December 31, 2023 - \$1,947 and \$359, respectively).

⁽²⁾ Includes government-funded capital expenditures for the year ended December 31, 2024 of \$22,436 (2023 - \$8,503), reduced by related government funding for the year ended December 31, 2024 of \$22,436, (2023 - \$8,503). Included in the \$8,503 is \$2,198 of eligible capital expenditures incurred in 2022 for which government assistance was applied in the year ended December 31, 2023.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

10 Intangible assets

	Indefinite life		Finite life		Total
	Licences	Resident relationships	Service contracts	Computer software	
Cost					
At January 1, 2023	188,569	164,393	10,968	17,445	381,375
Acquisition of Nicola	3,851	437	—	—	4,288
Additions	—	—	—	2,327	2,327
Derecognition ⁽¹⁾	—	(164,393)	(6,478)	—	(170,871)
At December 31, 2023	192,420	437	4,490	19,772	217,119
Additions	—	—	—	2,075	2,075
Derecognition	—	—	(4,490)	—	(4,490)
At December 31, 2024	192,420	437	—	21,847	214,704
Accumulated amortization					
At January 1, 2023	1,426	164,393	10,968	12,303	189,090
Charges for the period	—	—	—	1,700	1,700
Derecognition ⁽¹⁾	—	(164,393)	(6,478)	—	(170,871)
At December 31, 2023	1,426	—	4,490	14,003	19,919
Charges for the period	—	146	—	3,191	3,337
Derecognition ⁽¹⁾	—	—	(4,490)	—	(4,490)
At December 31, 2024	1,426	146	—	17,194	18,766
Net book value					
At December 31, 2023	190,994	437	—	5,769	197,200
At December 31, 2024	190,994	291	—	4,653	195,938

⁽¹⁾ Relates to fully amortized resident relationships and service contracts as at December 31, 2024 and December 31, 2023.

11 Goodwill

	December 31, 2024	December 31, 2023
Cost and carrying value	164,903	164,903

The Company completed its annual impairment assessment of the carrying value of goodwill. There was no impairment of goodwill during the years ended December 31, 2024 and December 31, 2023.

12 Accounts payable and other liabilities

	December 31, 2024	December 31, 2023
Accounts payable and other liabilities	61,107	53,325
Accrued wages and benefits	77,556	72,207
Accrued interest payable	6,450	5,224
Dividends payable (Note 17)	6,448	5,690
Restructuring provision	260	181
Total	151,821	136,627

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

13 Long-term debt

	Interest rate	Maturity date	December 31, 2024	December 31, 2023
Series A Unsecured Debentures	3.109 %	November 4, 2024	—	150,000
Series B Unsecured Debentures	3.450 %	February 27, 2026	175,000	175,000
Series C Unsecured Debentures	2.820 %	March 31, 2027	125,000	125,000
Series D Unsecured Debentures	4.436 %	October 27, 2029	150,000	—
Construction Loans	Floating	2025-2029	30,208	—
Credit facilities	Floating	March 19, 2029	—	25,000
Mortgages at fixed rates	1.65% - 5.80%	2025-2041	461,381	430,655
Mortgages at variable rates	Floating	2025-2029	86,620	112,151
Lease liability	2.58% - 3.83%	2025-2029	3,434	4,131
			1,031,643	1,021,937
Fair value adjustments on acquired debt			1,815	1,792
Less: Deferred financing costs			(21,113)	(17,080)
Total debt			1,012,345	1,006,649
Less: Current portion			(72,233)	(248,496)
			940,112	758,153

Principal repayments on long-term debt are as follows:

2025	75,146
2026	193,414
2027	178,078
2028	138,141
2029	173,082
2030	17,767
2031	8,675
Thereafter	247,340
	1,031,643

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

Continuity of debt

The following table is the long-term debt continuity:

	Debentures	Acquisition Loan	Construction Loan	Mortgages payables	Credit Facilities	Lease Liabilities	Total
As at January 1, 2023	449,833	49,806	—	418,128	57,353	2,844	977,964
Proceeds from financing	—	—	—	184,436	40,000	—	224,436
Repayments	—	(50,000)	—	(64,308)	(75,000)	—	(189,308)
Deferred financing costs	—	—	—	(10,250)	(272)	—	(10,522)
Amortization of financing charges	669	194	—	2,140	317	—	3,320
Fair value adjustments on acquired debt	—	—	—	(528)	—	—	(528)
Lease liabilities payments, net addition	—	—	—	—	—	1,287	1,287
As at December 31, 2023	450,502	—	—	529,618	22,398	4,131	1,006,649
Proceeds from financing	150,000	—	30,208	106,389	10,000	—	296,597
Repayments	(150,000)	—	—	(101,193)	(35,000)	—	(286,193)
Deferred financing costs	(713)	—	—	(7,044)	(337)	—	(8,094)
Amortization of financing charges	649	—	—	3,030	382	—	4,061
Fair value adjustments on acquired debt	—	—	—	22	—	—	22
Lease liabilities payments	—	—	—	—	—	(697)	(697)
As at December 31, 2024	450,438	—	30,208	530,822	(2,557)	3,434	1,012,345

Series A Unsecured Debentures

On November 4, 2019, the Company issued \$150,000 aggregate principal amount of series A senior unsecured debentures ("**Series A Debentures**"). The Series A Debentures bear interest at a rate of 3.109% per annum, payable semi-annually in May and November of each year and mature on November 4, 2024.

On November 4, 2024, the Company fully repaid the Series A Debentures.

Series B Senior Unsecured Debentures

On October 2, 2020, the Company issued \$175,000 aggregate principal amount of series B senior unsecured debentures ("**Series B Unsecured Debentures**"). The Series B Unsecured Debentures bear interest at a rate of 3.450% per annum, payable semi-annually in February and August of each year and mature on February 27, 2026.

The Series B Unsecured Debentures may be redeemed in whole or in part at the option of the Company at any time, as long as the Company provides not less than 10 days' and not more than 60 days' notice to the holders of the Series B Unsecured Debentures. Prior to January 27, 2026 (the "**Series B Par Call Date**"), the redemption price is the greater of: (i) the Canada Yield Price including accrued and unpaid interest to the redemption date; and (ii) 100% of the principal amount outstanding of the Debentures being redeemed. On or after the Series B Par Call Date, the redemption price is 100% of the principal amount outstanding of the Series B Unsecured Debentures with accrued and unpaid interest to, but excluding the date fixed for redemption. The Canada Yield Price is defined as a price equal to the price of the debenture, exclusive of accrued and unpaid interest, calculated to provide a yield to the Series B

Par Call Date equal to the Government of Canada Yield calculated on the date the Company gives notice of redemption plus 0.775%.

Series C Senior Unsecured Debentures

On June 3, 2021, the Company issued \$125,000 aggregate principal amount of series C senior unsecured debentures ("**Series C Unsecured Debentures**"). The Series C Unsecured Debentures bear interest at a rate of 2.820% per annum, payable semi-annually in March and September of each year and mature on March 31, 2027.

The Series C Unsecured Debentures may be redeemed in whole or in part at the option of the Company at any time, as long as the Company provides not less than 10 days' and not more than 60 days' notice to the holders of the Series C Unsecured Debentures. Prior to January 31, 2027 (the "**Series C Par Call Date**"), the redemption price is the greater of: (i) the Canada Yield Price including accrued and unpaid interest to the redemption date; and (ii) 100% of the principal amount outstanding of the Debentures being redeemed. On or after the Series C Par Call Date, the redemption price is 100% of the principal amount outstanding of the Series C Unsecured Debentures with accrued and unpaid interest to, but excluding the date fixed for redemption. The Canada Yield Price is defined as a price equal to the price of the debenture, exclusive of accrued and unpaid interest, calculated to provide a yield to the Series C Par Call Date equal to the Government of Canada Yield calculated on the date the Company gives notice of redemption plus 0.43%.

Series D Senior Unsecured Debentures

On October 17, 2024, the Company issued \$150,000 aggregate principal amount of series D senior unsecured debentures ("**Series D Unsecured Debentures**"). The Series D Unsecured Debentures bear interest at a rate of 4.436% per annum, payable semi-annually in April and October of each year and mature on October 17, 2029.

The Series D Unsecured Debentures may be redeemed in whole or in part at the option of the Company at any time, as long as the Company provides not less than 10 days' and not more than 60 days' notice to the holders of the Series D Unsecured Debentures. Prior to September 17, 2029 (the "**Series D Par Call Date**"), the redemption price is the greater of: (i) the Canada Yield Price including accrued and unpaid interest to the redemption date; and (ii) the face amount of the Series D Unsecured Debentures to be redeemed including accrued and unpaid interest to the redemption date. On or after the Series D Par Call Date, the redemption is 100% of the principal amount outstanding of the Series D Unsecured Debentures with accrued and unpaid interest. The Canada Yield Price is defined as a price equal to the price of the debenture calculated to provide a yield to the Par Call Date equal to the Government of Canada Yield calculated on the date the Company gives notice of redemption plus 0.425%.

Credit facilities

On March 19, 2020 the Company entered into a credit agreement for \$200,000 senior unsecured revolving credit facility (the "Unsecured Revolving Credit Facility"). On October 26, 2022, the Company increased the Unsecured Revolving Credit Facility by \$100,000 to \$300,000 and extended its maturity to March 19, 2027. On June 26, 2024, the Company further extended the term of the Unsecured Revolving Credit Facility for an additional two-year period to March 19, 2029. The Unsecured Revolving Credit Facility may be extended for additional one-year terms, subject to certain conditions. The capacity of

the Unsecured Revolving Credit Facility may be increased by up to \$50,000 during the term of the facility, subject to certain conditions. Borrowings under the Unsecured Revolving Credit Facility bear interest at Canadian Overnight Repo Rate Average ("CORRA") plus credit spread adjustment plus 145 bps per annum (formerly under the discontinued banker's acceptance ("BA") rate plus 145 bps per annum) or at the Canadian prime rate plus 45 bps per annum, at the Company's option. The Unsecured Revolving Credit Facility is subject to certain customary financial and non-financial covenants. As at December 31, 2024, the Unsecured Revolving Credit Facility was undrawn (2023 - \$25,000).

The Company has a non-revolving acquisition loan facility totaling \$6,000 that matures on June 6, 2025. Borrowings under the credit facility are available by way of loans at the Canadian prime rate plus 75 bps per annum or CORRA plus credit spread adjustment plus 175 bps per annum (formerly under the discontinued BA rate at 175 bps per annum), at the Company's option.

The Company has other property credit facilities totaling \$2,500 that can be accessed for working capital purposes. Borrowings are available by way of loans at the Canadian prime rate plus 50 bps per annum.

The following table summarizes the Company's credit facilities activity:

	December 31, 2024	December 31, 2023
Credit facilities available	308,500	308,500
Amounts drawn under credit facilities	—	(25,000)
Utilized for letters of credit (Note 28)	(689)	(589)
Remaining available balance under credit facilities	307,811	282,911

Mortgages

The following table summarizes the scheduled maturities of the Company's property-level mortgages as at December 31, 2024:

Year	Mortgages		Total	% of Total
	Regular Principal Repayments	Principal Due at Maturity		
2025	17,225	41,112	58,337	10.7%
2026	17,589	—	17,589	3.2%
2027	17,107	35,115	52,222	9.5%
2028	12,424	125,154	137,578	25.1%
2029	8,493	—	8,493	1.6%
2030	8,537	9,230	17,767	3.2%
2031	8,675	—	8,675	1.6%
Thereafter	30,270	217,070	247,340	45.1%
	120,320	427,681	548,001	100%

Construction Loans

As at December 31, 2024, the Company had access to two non-revolving demand construction loans for the purpose of financing development projects, totaling \$166,626. As at December 31, 2024, \$30,208 was drawn on the construction loans. Borrowings under the construction loans are available by way of loans at the Canadian prime rate plus 50 bps per annum or CORRA plus credit spread adjustment plus 195 bps per annum, at the Company's option.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

14 Net finance charges

	Year ended	
	December 31,	
	2024	2023
Finance costs		
Interest expense on mortgages	24,253	21,997
Interest expense on debentures	14,859	14,226
Interest on unsecured term loan	—	1,176
Interest expense on construction loan	1,290	—
Interest expense on credit facilities	2,138	3,092
Interest expenses on lease liabilities	146	151
Amortization of financing charges and fair value adjustments on acquired debt	4,083	3,320
Net settlement receipt on interest rate swap contracts	(2,428)	(3,489)
Fair value loss on interest rate swap contracts	2,388	2,212
	46,729	42,685
Less: Interest capitalized on qualifying development projects	(4,327)	—
Net finance costs	42,402	42,685
Finance income		
Interest income on construction funding receivable	269	432
Other interest income	4,237	1,810
	4,506	2,242
Net finance charges	37,896	40,443

15 Income taxes

Total income tax expense for the year can be reconciled to the consolidated statements of net income and comprehensive income as follows:

	Year ended	
	December 31,	
	2024	2023
Income before provision for income taxes	52,831	10,004
Canadian combined income tax rate	26.59 %	26.59 %
Income tax expense	14,048	2,660
Adjustments to income tax provision:		
Non-deductible items	403	269
Book to filing adjustment	(23)	31
Other items	—	6
Provision for income taxes	14,428	2,966

The following are the deferred tax assets (liabilities) recognized by the Company and movements thereon during the year ended December 31, 2024:

	Depreciable tangible and intangible assets	Share issuance	Construction funding interest	Other	Total
As at January 1, 2023	(50,313)	958	666	622	(48,067)
Credit (charge) to net income	(1,773)	(239)	(114)	2,453	327
Book to filing adjustment	(25)	—	(12)	(1,538)	(1,575)
As at December 31, 2023	(52,111)	719	540	1,537	(49,315)
Credit (charge) to net income	(2,002)	(592)	(71)	3,608	943
Book to filing adjustment	(200)	—	—	283	83
Credit to equity	—	1,766	—	—	1,766
As at December 31, 2024	(54,313)	1,893	469	5,428	(46,523)

16 Share capital

Authorized

Unlimited number of common shares, without nominal or par value

Unlimited number of preferred shares, without nominal or par value

Issued and outstanding

	Common shares	Amount
Balance, January 1, 2023	72,939,941	964,514
Long-term incentive plan, net of loans receivable	—	23
Common shares issued pursuant to SOAR program	27,225	306
Balance, December 31, 2023	72,967,166	964,843
Dividend reinvestment plan	70,507	1,126
Long-term incentive plan, net of loans receivable	—	24
Common shares issued, net of share issuance costs	9,591,000	138,990
Common shares issued pursuant to SOAR program	32,327	471
Balance, December 31, 2024	82,661,000	1,105,454

On August 28, 2024, the Company completed a bought-deal offering of 9,591,000 common shares of the Company at a price of \$15.00 per common share for aggregate gross proceeds of \$143,865. Issuance costs of \$4,875, net of taxes of \$1,766 (Note 15), were recorded against shareholders' equity.

Normal course issuer bid

On June 17, 2024, the Company received approval from the TSX on its notice of intention to renew its normal course issuer bid ("**NCIB**") for a portion of the Company's common shares. Pursuant to the notice, the Company has the authority to acquire up to a maximum of 3,649,974 of its common shares for cancellation over the next 12 months. Purchases by the Company under the NCIB will be made through the facilities of the TSX or through a Canadian alternative trading system and in accordance with applicable regulatory requirements at a price per common share equal to the market price at the time of acquisition. The number of common shares that can be purchased pursuant to the NCIB is subject to a current daily maximum of 61,857 common shares, subject to the Company's ability to make one block purchase of its common shares per calendar week that exceeds such limits. All common

shares purchased by the Company under the NCIB will be cancelled upon purchase. The Company had the option to purchase shares beginning on June 20, 2024. The NCIB will terminate on June 19, 2025.

No common shares were purchased pursuant to the Company's normal course issuer bid.

Dividend reinvestment plan

The Company has established a dividend reinvestment plan ("DRIP") for eligible holders of common shares, which allows participants to reinvest cash dividends paid in respect of their common shares in additional common shares at a 3% discount.

On November 11, 2024, the Company reinstated DRIP, which was previously temporarily suspended on March 18, 2020, upon approval by the Board of Directors.

Net income per share

Net income per share is calculated using the weighted average number of common shares outstanding for the year ended December 31, 2024.

17 Dividends

For the year ended December 31, 2024, the Company paid monthly dividends of \$0.078 per common share totaling \$70,185, respectively (2023 - \$68,288, respectively). Dividends payable of \$6,448 are included in accounts payable and other liabilities as at December 31, 2024 (December 31, 2023 - \$5,690). Subsequent to December 31, 2024, the Board of Directors declared dividends of \$0.078 per common share for January and February 2025 totaling \$12,914.

18 Share-based compensation

The Company has share-based compensation plans, which are described below.

Restricted Share Unit plan ("RSU")

Certain employees ("**Employees**") may be awarded restricted share units ("**RSUs**"). Starting with the awards in connection with the year ended December 31, 2018, a portion of the RSUs granted have performance based vesting criteria. For this particular portion of the RSUs, the number of RSUs to ultimately vest will be determined based on a performance multiplier having a possible range of 50% (whereby half of the subject RSUs vest) to 150% (whereby one and a half times the number of the subject RSUs vest). All other terms of the RSUP apply to these RSU awards having a performance based vesting criteria.

Employees are awarded the number of notional shares equal to a portion of their compensation amount divided by the volume weighted average closing price of common shares for the five trading days preceding the date of grant or redemption ("**Average Closing Price**") on the grant date. Employees participating in the RSUP are entitled to receive notional distributions per RSU equal to the amount of dividends paid per common share. Such distributions will be granted to the Employee in the form of additional RSUs equal to the dividend amount divided by the Average Closing Price as of the day such dividend was declared.

RSU awards granted vest on the third anniversary of the grant date and the related compensation expense is recognized over the three-year vesting period. On vesting of the RSUs, the Company has the option to settle all or a portion of vested RSUs in cash or with one common share of the Company for each RSU redeemed. Any lump sum payment in cash will be calculated by multiplying the number of RSUs to be redeemed for cash by the Average Closing Price as of the applicable vesting date. The value of each RSU is measured at each reporting date and is equivalent to the market value of a common share of the Company at the reporting date.

Total expenses related to the RSUP for the year ended December 31, 2024 were \$5,499, respectively (2023 - \$1,726), including mark-to-market adjustments and net of forfeitures, which were recognized in administrative expenses. During the year ended December 31, 2024, 84,325 RSUs vested (2023 - 25,121) and were settled in cash, resulting in a decrease of \$1,117 to the share-based compensation liability (2023 - \$312). The total liability recorded as part of the share-based compensation liability as at December 31, 2024 was \$6,817 (December 31, 2023 - \$2,435).

A summary of the movement of the RSUs granted is as follows:

	Number of RSUs
Outstanding, January 1, 2023	269,657
Granted	235,265
Forfeited	(54,855)
Dividends reinvested & forfeiture	28,192
Settled in cash	(25,121)
Outstanding, December 31, 2023	453,138
Granted	236,455
Forfeited	(49,885)
Dividends reinvested & forfeiture	37,509
Settled in cash	(84,325)
Outstanding, December 31, 2024	592,892

Deferred Share Unit plan ("DSU")

Each member of the Board of Directors (the "**Board**") who is not also an employee of the Company (the "**Member**") is eligible to participate in the DSUP and is entitled to elect to contribute his or her base retainer fees to the DSUP. Fees for each Member vary depending on his or her role on the Board. The Member's meeting fees are excluded from eligible DSUP contributions. In satisfaction of such fees, the Member was credited that number of deferred share units ("**DSUs**") equal to the quotient obtained by dividing the fees payable by the Average Closing Price.

Members are notionally entitled to receive distributions per DSU equal to the amount of dividends paid per Common Share. Such distributions are credited as additional DSUs. The number of DSUs credited for each dividend is equal to the aggregate amount of such dividend divided by the Average Closing Price.

DSUs vest immediately upon grant and may be redeemed only when a Member no longer serves on the Board for any reason (and is not otherwise employed by the Company). Redemptions are paid out in cash.

Total expenses related to the DSUP for the year ended December 31, 2024 were \$1,440, respectively (2023 - \$1,021), including mark-to-market adjustments, which were recognized in administrative expenses. During the year ended December 31, 2024, 54,610 DSUs vested (2023 - 368,943) and were settled in cash, resulting in a decrease of \$875 to the share-based compensation liability (2023 - \$4,001). The total liability recorded related to the DSUP as a part of the share-based compensation liability as at December 31, 2024 was \$2,617 (December 31, 2023 - \$2,052). The value of each deferred share unit is measured at each reporting date and is equivalent to the fair value of a common share at the reporting date.

Notes to the Consolidated Financial Statements
 Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

A summary of the movement of the DSUs granted is as follows:

	Number of RSUs
Outstanding, January 1, 2023	461,635
Granted	46,639
Forfeited	(505)
Dividends reinvested & forfeiture	39,765
Settled in cash	(368,943)
Outstanding, December 31, 2023	178,591
Granted	32,107
Dividends reinvested & forfeiture	11,438
Settled in cash	(54,610)
Outstanding, December 31, 2024	167,526

Executive Deferred Share Unit plan ("EDSU")

Each executive officer and such other officers or employees ("EDSUP Member") as the Board of Directors may determine from time to time, at his or her discretion, is entitled to elect to have up to 100% of his or her annual base incentive awards contributed to the EDSUP.

In satisfaction of such contribution to the EDSUP, the EDSUP Member is credited that number of executive deferred share units ("EDSUs") equal to the quotient obtained by dividing the amount of the contribution by the Average Closing Price immediately preceding the date of payment. Dividends earned on such EDSUs will be credited to the EDSUP Member's account in the form of additional EDSUs, which are calculated using the same methodology as the original grant.

EDSUs vest on the third anniversary of the date on which the EDSUs are granted (except for EDSUs credited in respect of short-term incentive awards, which vest immediately once granted), or otherwise at the discretion of the Board of Directors, but may be redeemed only when an EDSUP Member no longer serves the Company. Redemptions are paid out in cash.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

Total expenses related to the EDSUP for the year ended December 31, 2024 were \$867, respectively (2023 - \$503), including mark-to-market adjustments, which were recognized in administrative expenses. During the year ended December 31, 2024, 4,193 EDSUs vested (2023 - 19,813) and settled in cash, resulting in a decrease of \$56 to share-based compensation liability (2023 - \$225). The total liability recorded related to the EDSUP as a part of the share-based compensation liability as at December 31, 2024 was \$1,969 (December 31, 2023 - \$1,158). The value of each vested EDSU is measured at each reporting date and is equivalent to the fair value of a common share of the Company at the reporting date.

A summary of the movement of the EDSUs granted is as follows:

	Number of EDSUs
Outstanding, January 1, 2023	124,693
Granted	20,369
Forfeited	(2,092)
Dividends reinvested & forfeiture	10,229
Settled in cash	(19,813)
Outstanding, December 31, 2023	133,386
Forfeited	(662)
Dividends reinvested & forfeiture	8,082
Settled in cash	(4,193)
Outstanding, December 31, 2024	136,613

Total Return Swap contracts and mark-to-market adjustments on share-based compensation

Share-based compensation expense, under Notes 19 and 23, includes a fair value gain on Total Return Swap contracts for the year ended December 31, 2024 of \$2,558 (2023 - \$332) and mark-to-market expense on share-based compensation liability for the year ended December 31, 2024 of \$3,850 (2023 - \$567).

19 Employee salaries and benefits

Payroll costs for all employees, including key management, for continuing operations consist of:

	Year ended December 31,	
	2024	2023
Salaries and short-term employee benefits	521,869	469,329
Group retirement savings plan	10,484	9,439
Termination benefits	1,853	2,883
Share-based compensation expense	5,248	2,918
	539,454	484,569

20 Key management compensation

The remuneration of key management is set out in aggregate for each of the categories below:

	Year ended	
	December 31,	
	2024	2023
Salaries and short-term employee benefits	6,528	5,432
Share-based compensation expense	4,276	2,540
	10,804	7,972

21 Trust funds

The Company maintains separate trust accounts on behalf of its LTC residents, which are not included in these consolidated financial statements. The total balance in the trust bank accounts as at December 31, 2024 was \$1,330 (December 31, 2023 - \$1,300).

22 Economic dependence

The Company holds licences related to each of its LTC residences and receives funding from the applicable health authorities related to those licences, which are included in revenues. In addition, the Company has received government assistance to support pandemic related expenses for LTC and Retirement Residences. Funding for incremental costs of specific initiatives is provided in addition to ongoing long-term care funding, all of which are subject to periodic reconciliations with the regulatory authorities. Funding for the incremental costs is required to be spent entirely on resident care, with any excess amounts not allocated to direct resident care or specific purpose is required to be returned to the regulatory authorities. During the year ended December 31, 2024, the Company received approximately \$585,201 (2023 - \$520,016) in funding.

Approximately 84% and 74% (2023 - 81% and 68%) of revenue from the Company's Ontario LTC residences and British Columbia LTC residences is received from the applicable health authorities, respectively. The rest of the LTC segment's revenue are received from resident co-payments.

23 Administrative expenses

	Year ended	
	December 31,	
	2024	2023
General and administrative expenses	29,135	27,686
SOAR program	471	306
Restructuring costs ⁽¹⁾	200	(1,826)
Share-based compensation expense	5,248	2,918
Pandemic related expenses	—	8
Total administrative expenses	35,054	29,092

⁽¹⁾ In 2022, the Company announced the closure of one of its LTC residences and recognized a restructuring provision as a result. During the year ended December 31, 2023, the Company adjusted down the provision by \$2,418, based on best estimates. During the first quarter of 2023, the Company also recognized restructuring costs of \$592 related to reduction of employees at our corporate office.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

24 Expenses and other items by category

	Year ended	
	December 31,	
	2024	2023
Salaries, benefits and people costs	534,206	456,169
Depreciation and amortization	51,104	49,623
Food	38,501	35,509
Purchased services and non-medical supplies	33,368	28,407
Property taxes	14,887	14,710
Utilities	19,107	21,091
Share of net loss in joint ventures	9,585	9,309
Net finance charges	37,896	40,443
Share-based compensation expense	5,248	2,918
Transaction costs	2,674	4,309
Restructuring costs	200	(1,826)
SOAR program	471	306
Other ⁽¹⁾	93,080	110,863
Total expenses before net pandemic expenses	840,327	771,831
Pandemic labour	—	25,482
Other pandemic related expenses	—	2,916
Government assistance	—	(24,865)
Net pandemic expenses ⁽²⁾	—	3,533
Total expenses and other items	840,327	775,364

⁽¹⁾ Other expenses primarily relates to maintenance and equipment expenses, supplies, professional fees and insurance.

⁽²⁾ Effective January 1, 2024, the Company began classifying all funding that started during the pandemic and continued to-date as revenue, instead of presenting them as net pandemic expenses. This is considering the World Health Organization has downgraded the global health emergency in 2023 and the pandemic funding is continuing based on the latest information on the government's budget. With these two points, the Company views any remaining pandemic funding as ordinary business income and no longer temporary in nature. The corresponding expenses are included in the respective expense categories above.

25 Subsidiaries

The following are the significant subsidiaries of the Company, all of which are included in these consolidated financial statements:

Name	Country of incorporation	Percentage of ownership interest	
		December 31, 2024	December 31, 2023
Leisureworld Senior Care LP (Ontario)	Canada	100 %	100 %
2063412 Investment LP (Ontario)	Canada	100 %	100 %
2063414 Investment LP (Ontario)	Canada	100 %	100 %
2063415 Investment LP (Ontario)	Canada	100 %	100 %
2067475 Investment LP (Ontario)	Canada	100 %	100 %
Vigour Limited Partnership (Ontario)	Canada	100 %	100 %
The Royale LP (Ontario)	Canada	100 %	100 %
The Royale Development LP (Ontario)	Canada	100 %	100 %
The Royale West Coast LP (Ontario)	Canada	100 %	100 %
Sienna Baltic Development LP (Ontario)	Canada	100 %	100 %
2371281 Investment LP (Ontario)	Canada	100 %	100 %
Sienna Management LP (Ontario)	Canada	100 %	100 %
Sienna Ontario RH 2017 LP (Ontario)	Canada	100 %	100 %
SSL11 Development LP (Ontario)	Canada	100 %	100 %

26 Segmented information

Segmented information is presented in respect of the Company's business segments. The business segments are based on the Company's management and internal reporting structure. The Company operates solely within Canada, hence no geographical segment disclosures are presented. Inter-segment pricing is determined on an arm's length basis. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies of the business segments are the same as those for the Company and is presented on a proportionate share basis in the manner which our chief operation decision maker reviews the financial information. The "**Adjustments for Joint Ventures**" column shows the adjustments to account for Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in these consolidated financial statements.

The Company is comprised of the following main business segments:

- Retirement - this segment consists of 40 RRs, of which five retirement residences are located in Saskatchewan, four of which are located in British Columbia and 31 of which are located in Ontario, and the RR management services business;
- LTC - this segment consists of 34 LTC residences located in Ontario, eight seniors' living residences located in British Columbia and the LTC management services business; and
- Corporate, Eliminations and Other - this segment represents the results of head office, intercompany eliminations and other items that are not allocated to the segments.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

	Year ended December 31, 2024				Total
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Ventures ⁽³⁾	
Gross revenue	222,612	723,203	77,239	(36,753)	986,301
Less: Internal revenue	—	(15,904)	(77,239)	—	(93,143)
Net revenue	222,612	707,299	—	(36,753)	893,158
Operating expense, net of government assistance	143,320	586,985	—	(26,291)	704,014
Depreciation and amortization	39,489	23,678	5,365	(17,428)	51,104
Administrative expense	200	—	34,854	—	35,054
Share of net loss in joint ventures	—	—	—	9,585	9,585
Finance costs	22,858	6,688	15,343	(2,487)	42,402
Finance income	(40)	(509)	(3,997)	40	(4,506)
Transaction costs	112	1,577	1,157	(172)	2,674
Provision for income taxes	—	—	14,428	—	14,428
Net income (loss)	16,673	88,880	(67,150)	—	38,403
Purchase of property and equipment ⁽²⁾	41,990	81,003	2,597	—	125,590
Purchase of intangible assets	4	4	2,067	—	2,075

⁽¹⁾ For the year ended December 31, 2024, the Retirement segment recognized accommodation revenues of \$104,628 and service revenues of \$117,984.

⁽²⁾ Includes government-funded capital expenditures for the year ended December 31, 2024 of \$22,436.

⁽³⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the consolidated financial statements.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

	Year ended December 31, 2023				
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽⁴⁾	Total
Gross revenue	202,032	630,498	69,857	(31,289)	871,098
Less: Internal revenue	—	(15,873)	(69,857)	—	(85,730)
Net revenue	202,032	614,625	—	(31,289)	785,368
Operating expense, net of government assistance ⁽²⁾	129,266	536,136	—	(22,814)	642,588
Depreciation and amortization	38,944	22,490	4,875	(16,686)	49,623
Administrative expense ⁽²⁾	—	(2,418)	31,510	—	29,092
Share of net loss in joint ventures	—	—	332	8,977	9,309
Finance costs	17,033	6,548	19,882	(778)	42,685
Finance income	(29)	(611)	(1,630)	28	(2,242)
Transaction costs	8	3,042	1,275	(16)	4,309
Provision for income taxes	—	—	2,966	—	2,966
Net income (loss)	16,810	49,438	(59,210)	—	7,038
Purchase of property and equipment, net of disposals ⁽³⁾	18,999	80,512	2,108	—	101,619
Purchase of intangible assets	—	4,288	2,327	—	6,615

⁽¹⁾ For the year ended December 31, 2023, the Retirement segment recognized accommodation revenues of \$96,975 and service revenues of \$105,057.

⁽²⁾ Includes net pandemic expense of \$594 for Retirement, \$2,931 for LTC and \$8 for corporate, eliminations and other.

⁽³⁾ Includes pandemic capital expenditures for the year ended December 31, 2023 of \$8,503, which were fully funded by government related assistance. Also includes purchase price allocation of \$26,300 from the acquisition of Woods Park and \$22,040 from the acquisition of interest in Nicola (Note 4).

⁽⁴⁾ Adjustments to present Sienna-Sabra LP using the equity method, as applied in the consolidated financial statements.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

	As at December 31, 2024				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total assets	879,973	921,841	111,726	(53,733)	1,859,807

	As at December 31, 2023				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture	Total
Total assets	873,753	821,832	25,667	(25,909)	1,695,343

⁽¹⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the consolidated financial statements.

	As at December 31, 2024				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total liabilities	506,479	382,958	543,382	(53,733)	1,379,086

	As at December 31, 2023				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture	Total
Total liabilities	414,528	374,523	558,430	(25,909)	1,321,572

⁽¹⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the consolidated financial statements.

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

27 Joint arrangements

A joint arrangement can be a joint venture or a joint operation. In a joint venture, the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. In a joint operation, the parties that have joint control of the arrangement have the rights to the assets, and obligations for the liabilities, relating to the arrangement. The following are the Company's joint arrangements as at December 31, 2024:

Joint Arrangements	Number of properties	Sienna ownership	Joint arrangement type	Accounting treatment	Investment in joint venture balance as at December 31, 2024	Share of net loss from joint venture for the twelve months ended December 31, 2024
Sienna-RSH Niagara Falls LP	1	70%	Joint venture	Equity	4,666	(2,666)
Sienna-Sabra LP	12	50%	Joint venture	Equity	127,109	(6,919)
Sienna Baltic Development LP ⁽¹⁾	2	70%/77%	Joint operation	Proportionate	N/A	N/A
					131,775	(9,585)

⁽¹⁾ Sienna Baltic Development LP owns 70% of Nicola Lodge Care Community and 77% of Glenmore Lodge Care Community.

Joint ventures

Sienna-RSH Niagara Falls LP

On February 7, 2020, the Company formed a joint venture with a third party for the purpose of developing a retirement residence in Niagara Falls, Ontario, which began operating in Q1 2024. The Company owns a 70% interest in this joint venture. The Company has accounted for this joint venture using the equity method of accounting, since this joint arrangement is structured through a separate legal vehicle, and the Company has rights to the net assets of the arrangement.

The following tables outline the Company's investment in this joint venture, and the Company's share of the joint venture's net loss.

Investment in joint venture as at January 1, 2023	6,219
Share of net loss in joint venture	(332)
Investment in joint venture as at December 31, 2023	5,887
Contributions to joint venture	1,445
Share of net loss in joint venture	(2,666)
Investment in joint venture as at December 31, 2024	4,666

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

Statements of Financial Position of Joint Venture	December 31, 2024	December 31, 2023
Current assets	266	609
Long-term assets	47,248	41,832
Total assets	47,514	42,441
Current liabilities	1,872	1,595
Long-term liabilities	38,976	32,436
Total liabilities	40,848	34,031
Net assets	6,666	8,410
Sienna's share of net investment in joint venture (70%)	4,666	5,887

Statements of Net Income of Joint Venture	December 31, 2024	December 31, 2023
Revenue	3,007	—
Expenses and other items		
Operating expenses	3,524	474
Depreciation and amortization	811	—
Net finance charges	2,480	—
	6,815	474
Net loss	(3,808)	(474)
Sienna's share of net loss in joint venture (70%)	(2,666)	(332)

Sienna-Sabra LP ("SSLP")

The Company owns 50% interest in this joint venture. The Company has accounted for this joint venture using the equity method of accounting, since this joint arrangement is structured through a separate legal vehicle, and the Company has rights to the net assets of the arrangement.

The following tables outline the Company's investment in this joint venture, and the Company's share of the joint venture's net loss.

Investment in joint venture as at January 1, 2023	152,854
Distribution received from joint venture	(4,100)
Share of net loss in joint venture	(8,977)
Investment in joint venture as at December 31, 2023	139,777
Distribution received from joint venture	(5,749)
Share of net loss in joint venture	(6,919)
Investment in joint venture as at December 31, 2024	127,109

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

Statements of Financial Position of Joint Venture	December 31, 2024	December 31, 2023
Current assets	11,013	8,403
Long-term assets	293,483	322,969
Total assets	304,496	331,372
Current liabilities	7,411	7,416
Long-term liabilities	42,868	44,403
Total liabilities	50,279	51,819
Net assets	254,217	279,553
Sienna's share of net investment in joint venture (50%)	127,109	139,777

Statements of Net Income of Joint Venture	Year ended	
	December 31, 2024	December 31, 2023
Revenue	69,295	62,579
Expenses and other items		
Operating expenses	47,648	45,629
Depreciation and amortization	33,720	33,372
Net finance charges	1,421	1,500
Transaction costs	343	32
	83,132	80,533
Net loss	(13,837)	(17,954)
Sienna's share of net loss in joint venture (50%)	(6,919)	(8,977)

Related party transactions occur between Sienna and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these annual consolidated financial statements, the related party balances are included in accounts receivable and payable, and in management fee revenue, as applicable. As of December 31, 2024, \$295 (December 31, 2023 - \$919) of the Company's accounts receivable related to its investments in joint ventures. For the year ended December 31, 2024, \$1,419 (2023 - \$1,326) of the Company's management fees related to its investment in joint ventures.

Joint operations

Sienna Baltic Development LP

The Company's joint arrangements, Nicola Lodge Care Community ("**Nicola Lodge**") and Glenmore Lodge Care Community ("**Glenmore Lodge**") are joint operations, since the parties that have joint control of the arrangements have right to the assets, and obligations for the liabilities, relating to Nicola Lodge and Glenmore Lodge.

The following tables outline the net assets and net income for Nicola Lodge and Glenmore Lodge, and the Company's share of 70% of Nicola Lodge and 77% of Glenmore Lodge that has been recognized in the consolidated financial statements.

Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

Statements of Financial Position of Joint Operation	December 31, 2024	December 31, 2023
Current assets	10,492	10,650
Long-term assets	99,943	103,018
Total assets	110,435	113,668
Current liabilities	12,988	13,557
Long-term liabilities	57,141	58,603
Total liabilities	70,129	72,160
Net assets	40,306	41,508
Sienna's share of net assets	28,827	29,664

As at December 31, 2024, the Company's share of net assets in Nicola Lodge and Glenmore Lodge was \$22,298 and \$6,529, respectively (December 31, 2023 - \$23,175 and \$6,489, respectively).

Statements of Net Income of Joint Operation	December 31, 2024	December 31, 2023
Revenue	45,469	41,998
Expenses and other items		
Operating, net	33,850	32,864
Depreciation and amortization	3,241	2,841
Net finance charges	2,443	2,526
Net income	5,935	3,767
Sienna's share of net income	4,360	1,827

For the year ended December 31, 2024, the Company's share of net income in Nicola Lodge and Glenmore Lodge was \$2,174 and \$2,186, respectively (2023 - \$1,165 and \$662, respectively).

On September 14, 2023, the Company entered into an agreement to acquire the remaining 60% interest in Nicola Lodge, over two closings. The first closing took place on December 31, 2023. The second closing will take place in the first quarter of 2025, at the Company's discretion.

28 Commitments and contingencies

The Company has a lease with respect to its Markham corporate office, which expires on October 31, 2029.

The Company also has various leases for office and other equipment. Lease payments in respect of the remaining years for leases are as follows:

	Total ⁽¹⁾
2025	1,453
2026	1,452
2027	1,452
2028	1,089
2029	807
	6,253

⁽¹⁾ Includes payments that are not eligible for capitalization under IFRS 16. Such payments are primarily for servicing and maintenance of office equipment, variable common area costs for the office lease, leases with terms shorter than twelve months and leases with low values.

All amounts are in thousands of Canadian dollars, except share and per share data, or unless otherwise noted

As at December 31, 2024, the Company was contingently liable for letters of credit in the amount of \$689 (December 31, 2023 - \$589).

The Company has committed to purchasing the remaining 30% interest in Nicola Lodge, between November 2024 and March 2026, at the Company's discretion. The purchase price will be \$26,520, before closing costs and subject to customary closing adjustments. In October 2024, the Company notified the Fraser Health Authorities of its intent to purchase the remaining 30% interest of Nicola Lodge. The transaction is expected to close in the first quarter of 2025. The purchase price will be financed through the assumption of the remaining share of the in-place mortgage (estimated to be \$11,600 in November 2024) and the proceeds from the Company's equity raise in August 2024.

On October 16, 2024, the Company entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat (the "**Portfolio**" or "**Acquisition**") for an aggregate purchase price of \$181.6 million. The Company intends to finance the Acquisition and its related transaction costs through a combination of: (i) assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.4 years; and (ii) the proceeds from the Company's recent equity raise. The Company expects the Acquisition to complete early in 2025.

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance other than the deductible amounts of the claims. Management believes the final outcome of such matters will not have a material adverse impact on the business, operating results and financial condition of the Company. However, actual outcomes may differ from management's expectations.

On January 21, 2022, the Superior Court of Justice (the "**Court**") made an order consolidating six proposed class actions in the form ordered by the Court. The aggregate amount of damages claimed in the consolidated claim against the Company is \$260,000.

On March 7, 2024, the Court issued its decision certifying the consolidated claim against the Company on the terms set out in the decision, namely only in respect of the Ontario long term care homes owned by the Company and with a gross negligence cause of action.

The Company intends to continue to vigorously defend itself against the consolidated claim.

Given the status of the proceedings, management is unable to assess the potential impact of the consolidated claim on the Company's financial results, and accordingly no provision has been recorded in the consolidated financial statements as at December 31, 2024.

On November 20, 2020, the Government of Ontario enacted the Supporting Ontario's Recovery Act (the "**Recovery Act**"). The Recovery Act provides civil liability protection to organizations that made a good faith effort to follow public health guidance and COVID-19 related laws, and did not act with gross negligence. The Recovery Act also deems existing civil proceedings related to COVID-19 exposure to be dismissed without costs and will bar future proceedings from being brought, as long as the defendant acted in good faith and not with gross negligence.

Pay Equity Claim Proceedings

The Company along with a number of other industry participants and the Ontario Government are currently engaged in various proceedings with several unions regarding pay equity maintenance for employees at long-term care facilities, for which wages and benefits are typically funded by the MLTC. In one such proceeding, the Supreme Court of Canada denied leave to appeal and upheld the appellate court ruling that the proxy method should be used and comparisons should be made to an outside sector. The Company and the other participants in the long-term care sector are working with the unions and government to assess the impact of the ruling and establish a framework for pay equity suitable for the sector.

Given the current status of the various proceedings and significant number of judgements required in establishing the pay equity framework that will impact the measurement of any potential provision, including ongoing discussions with the unions amongst the parties, management has assessed the conditions required for a provision and have concluded that it is not possible to reliably measure the potential outflow of resources, and accordingly no provision has been recorded in the consolidated financial statements as at December 31, 2024.

29 Subsequent Events

Acquisition of Contemporary Retirement Residence

On February 10, 2025, the Company entered into a purchase agreement to acquire Wildpine Residence, a 165-suite retirement residence consisting of 119 independent living (IL) and 46 assisted living (AL) units in Stittsville, Ontario, a suburb located in Ottawa's west end for an aggregate purchase price of \$48.0 million, subject to certain customary adjustments.

The acquisition will be financed through assumption of approximately \$25.0 million of CMHC insured debt and the remainder through use of general corporate funds. The transaction is subject to regulatory approvals and customary closing conditions, and is expected to close in mid-2025.

Acquisition of Class A Long-term Care Community

On February 14, 2025, the Company entered into a purchase agreement to acquire Cawthra Gardens, a 192-bed Class A long-term care home in Mississauga, Ontario for a gross purchase price of \$32.6 million, subject to certain customary adjustments and a \$2.0 million capital allowance which the Company plans to use within the first twelve months after closing.

The acquisition will be financed through use of general corporate funds. The transaction is subject to regulatory approvals and customary closing conditions, and is expected to close in early 2026.

Sienna

Senior Living

Cultivating happiness in daily life

siennialiving.ca