

Report to Shareholders

2025 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

Letter from the President & CEO



Dear fellow shareholders,

2025 was a year of significant value creation for Sienna. A combination of strong organic growth, strategic acquisitions, and new developments strengthened both the scale and quality of Sienna's diversified platform and further reinforced our ability to execute our growth strategy heading into 2026.

Strong Q4 results support 2026 growth outlook

We ended 2025 with strong fourth quarter results across both business segments. Excluding one-time items, same-property net operating income ("NOI") increased by 15.4% in the retirement segment and 5.6% in long-term care, reflecting the embedded growth potential within our existing operations.

In our **retirement segment**, we achieved record-high occupancy in many of our key markets. Ongoing operational improvements and compelling supply-demand fundamentals in the Canadian senior living sector drove same-property occupancy to 94.7% in Q4 2025 and resulted in a 300 basis point year-over-year expansion in operating margins. Our retirement occupancy further increased to 95.2% in January 2026, and we expect additional incremental upside over the balance of the year.

In our **long-term care segment**, the strength of our platform and the stability of the operating environment were evident in our results. Continued improvements in private occupancy revenues and operating efficiencies supported our fourth quarter results.

Building on a milestone year for acquisitions and developments in 2025

In addition to our strong operating results, 2025 marked a milestone in the expansion of Sienna's asset base. We completed the acquisition of 10 properties and opened two new long-term care redevelopment projects and a retirement residence, adding more than \$800 million of assets to Sienna's growing portfolio and welcoming hundreds of new team members and residents. These strategic investments enhanced the quality and scale of our assets and expanded our geographic footprint with our entry into the Alberta market.

Heading into 2026, the growth momentum remains strong. To date, we have completed the acquisition of partial interests in two majority-owned properties in Ontario and British Columbia, and we entered into a purchase agreement for a 129-suite retirement residence in the Greater Toronto Area, which is expected to close within the next two months. Together, these transactions are expected to add approximately \$79 million to our assets, and our acquisition pipeline remains robust.

We are also advancing a large-scale redevelopment in Toronto. The 448-bed project, with an estimated cost of approximately \$250 million, will be the Company's largest redevelopment to date, and we are on track to start construction in the second half of 2026. Following an extensive planning phase and supported by improved government funding, we are excited to move forward with this development. The project will replace 363 existing beds and add 85 new beds, further modernizing and strengthening our Ontario platform and growing Sienna's long-term care business.

Letter from the President & CEO

Our team members are at the centre of our success

We believe that if we take good care of our team members, they will deliver exceptional services to our residents. 2025 was a great example of this – our achievements and ambitious growth plans would not have been possible without our more than 15,000 team members. They are the foundation of Sienna's success. Our meaningful investments and sustained focus on team member engagement, recognition, and development have strengthened our culture and supported our ability to attract and retain talent, which is especially important as our platform continues to grow.

One of our notable accomplishments in 2025 was the continued improvement in team member engagement for the fifth consecutive year and an all-time high engagement survey participation rate of 86%. This achievement had a significant impact on record-low turnover. Strong team member engagement is a key driver of Sienna's ability to grow and contributes meaningfully to resident satisfaction and Sienna's purpose of cultivating happiness in daily life.

Disciplined capital allocation supports balance sheet strength

We ended 2025 with a strong balance sheet, substantial liquidity, and access to a broad range of capital. Investor demand for Sienna's equity and debt remained exceptionally strong and supported the issuance of \$375 million of unsecured debentures, a \$144 million equity offering and the full deployment of our \$125 million At-The-Market Equity Distribution Program during the year.

These initiatives supported both our refinancing and growth objectives, while further strengthening our financial position and balance sheet.

Looking ahead, we will continue to be selective, carefully evaluate growth opportunities and finance them with discipline. Maintaining a strong balance sheet will always remain a cornerstone of our long-term strategy.

Outlook

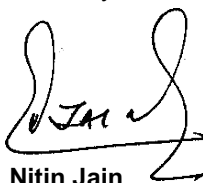
Amid ongoing economic and geopolitical uncertainty in Canada and around the world, one trend stands out: Canada's seniors' population is poised for unprecedented growth over the next two decades with the oldest baby boomers turning 80 this year. This demographic tailwind comes at a time when seniors housing already operates at record-high occupancy rates in many markets, while new supply is expected to remain limited in the medium term.

Against this backdrop, we have built a diversified platform of meaningful scale that offers both stability and attractive growth potential. With operating depth, balance sheet strength, and the organizational capability to execute on our expansion initiatives, we believe Sienna is in the early stages of a multi-year growth phase.

In the near term, this trend is reflected in our positive outlook for 2026. We expect our growth targets to remain strong, with same property NOI growth exceeding 10% in our retirement segment and low single digit percentage growth in long-term care. We also expect continued acquisition momentum, which will further strengthen our position in the sector.

On behalf of everyone at Sienna, I extend our deepest gratitude for your continued support and trust.

Sincerely,

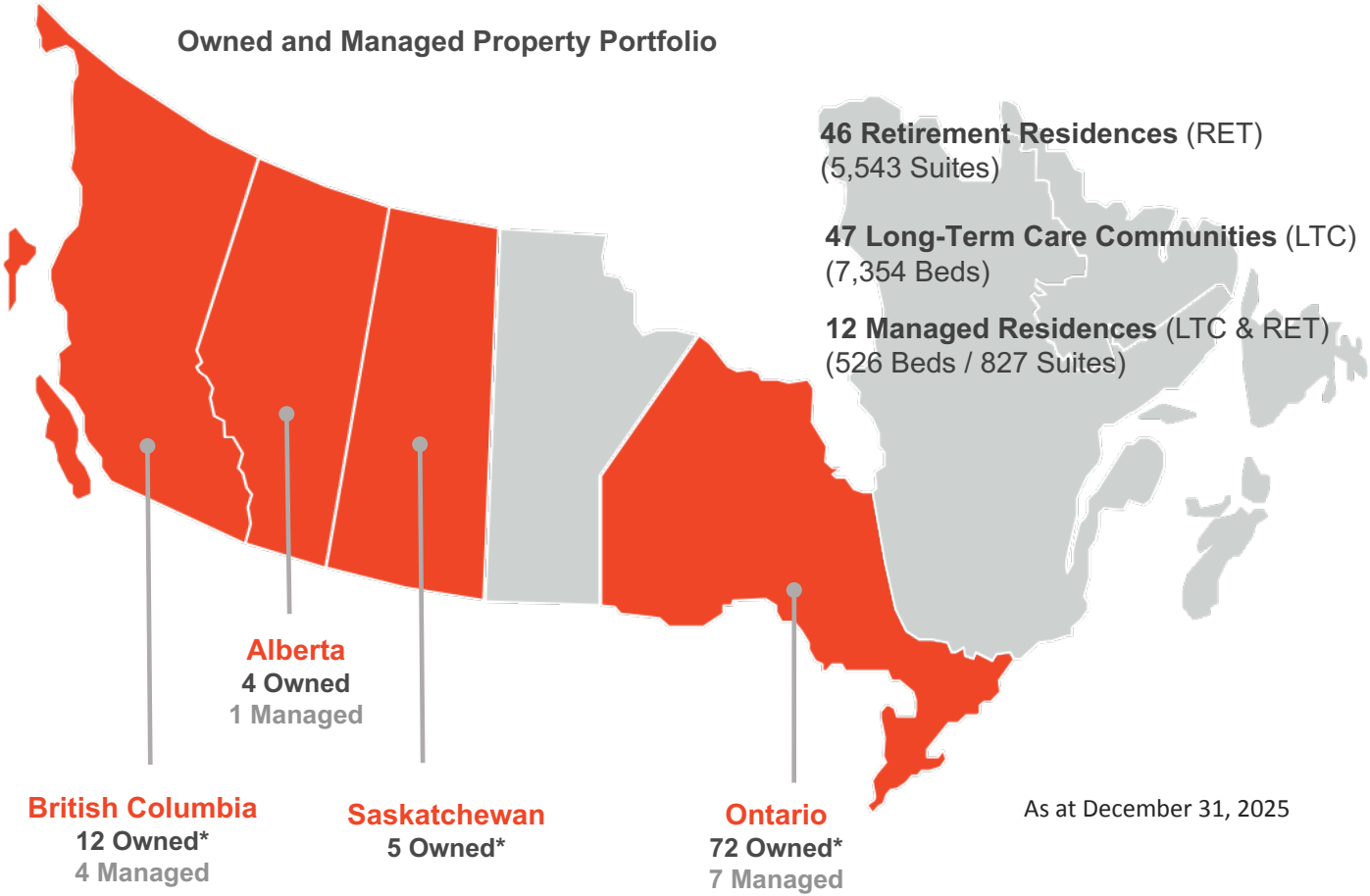


Nitin Jain
President and Chief Executive Officer
Sienna Senior Living

Q4 2025 Sienna at-a-Glance

Sienna is one of Canada's leading owners and operators of seniors' residences with high quality assets in **Ontario**, **Saskatchewan**, **Alberta** and **British Columbia**.

Owned and Managed Property Portfolio



*Includes 15 partially owned properties (9 in Ontario, 5 in Saskatchewan and 1 in British Columbia)

Sienna offers a full range of senior living options, including **Independent Living**, **Independent Supportive Living**, **Assisted Living**, and **Memory Care** under its Aspira retirement brand, **Long-Term Care**, and **specialized programs and services**.



\$3.4B

Adjusted Gross Book Value



\$0.94

Annual Dividend per Share



BBB

DBRS Credit Rating

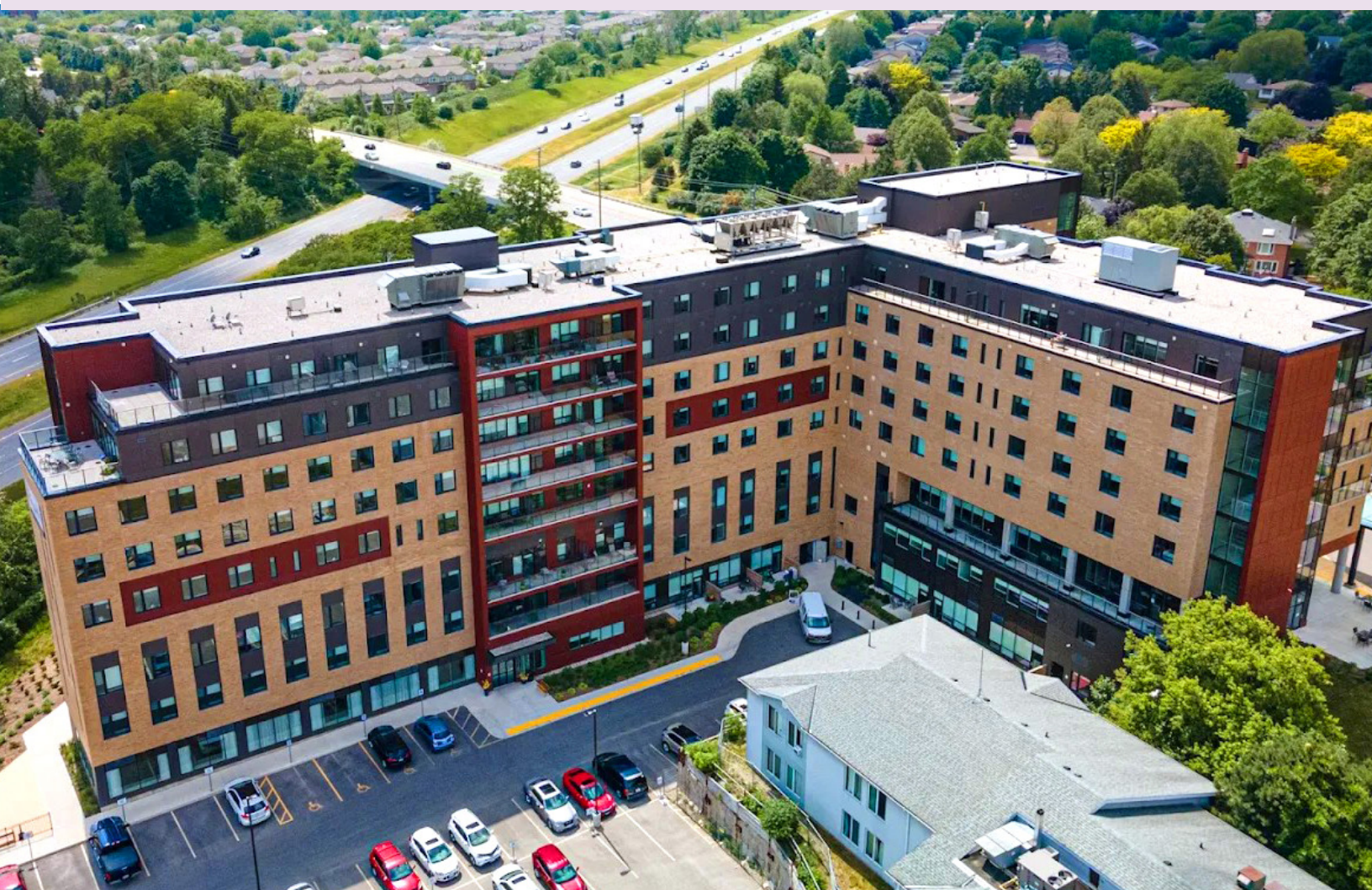


~15,000

Team Members

Management's Discussion and Analysis

2025 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 three months and year ended December 31, 2025. 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, 2025. This material is available on the Company's website at www.siennaliving.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**"), except as otherwise indicated. 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.

In this MD&A, the Company also measures performance using certain additional measures that are not recognized under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. Refer to "Non-GAAP Measures" section of this MD&A for a list of defined non-GAAP measures and key performance indicators (the "**Key Performance Indicators**" or "**KPI**").

With the exception of this MD&A's Business Update, Outlook and Corporate Impact 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, including its most current Annual Information Form ("**AIF**") 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

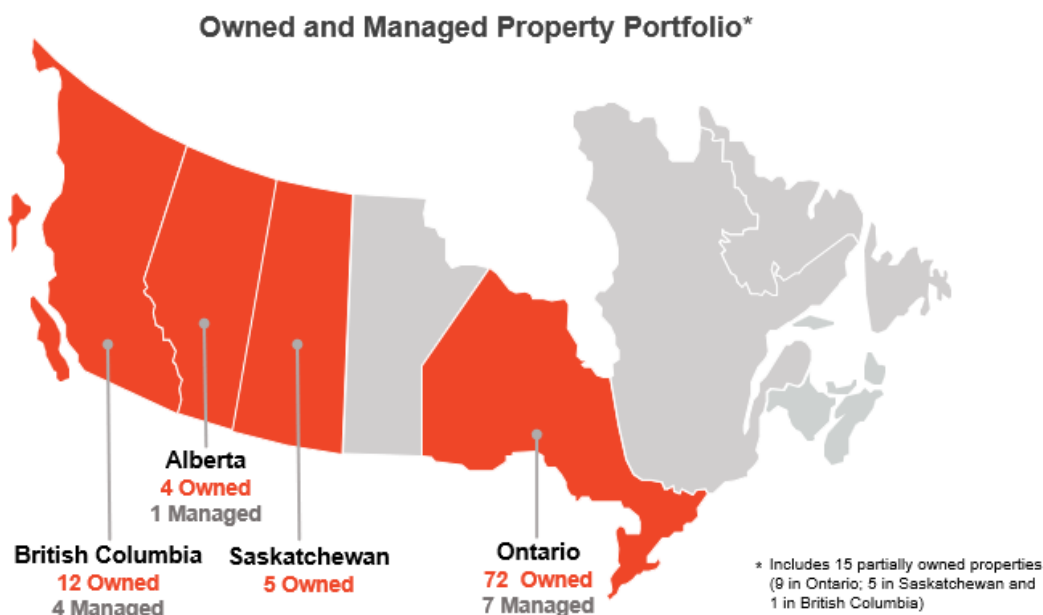
This MD&A is dated as of February 19, 2026, the date this report was approved by the Board of Directors of the Company, and is based on information available to management of the Company as of that date.

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 and continuing 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.

The following map presents Sienna's geographic profile of owned and managed properties as of December 31, 2025:



The table below represents the number of suites or beds owned and operated or managed by the Company's two business segments, retirement and long-term care.

	Retirement		Long-term Care		Total ⁽¹⁾	
	Residences	Suites	Residences	Beds ⁽²⁾	Residences	Beds / Suites
Owned Residences						
100% Owned - operating	32	4,036	46	7,236	78	11,272
Partially Owned - operating ⁽³⁾	14	1,507	1	118	15	1,625
Total Owned	46	5,543	47	7,354	93	12,897
Managed Residences	9	827	3	526	12	1,353
Total	55	6,370	50	7,880	105	14,250

1. 78.4%, 13.6%, 3.7% and 4.3% of total beds/suites are located in Ontario, British Columbia, Saskatchewan and Alberta, respectively.

2. 180 of the LTC beds are privately funded and 1,733 of the total owned long-term care beds are class C beds.

3. We have a 50% ownership in 12 retirement residences (1,234 suites), a 70% ownership in one retirement residence (150 beds), a 78% ownership in one retirement residence (123 beds), a 77% ownership in one long-term care community (118 beds) as at December 31, 2025.

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, 2026, the Company had 99,388,198 common shares outstanding.

Key Performance Indicators¹

The following table represents the Key Performance Indicators 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,		
	2025	2024	Change	2025	2024	Change
OCCUPANCY						
Retirement - Average Same Property	94.7 %	92.9 %	1.8 %	93.4 %	91.3 %	2.1 %
Retirement - Average Optimization Portfolio	84.3 %	76.4 %	7.9 %	82.2 %	74.6 %	7.6 %
Retirement - Average total occupancy	90.2 %	89.8 %	0.4 %	90.5 %	87.9 %	2.6 %
LTC - Average private occupancy ⁽²⁾	98.4 %	97.7 %	0.7 %	97.5 %	97.1 %	0.4 %
LTC - Average total occupancy ⁽²⁾	98.3 %	98.4 %	(0.1)%	98.2 %	98.2 %	— %
FINANCIAL						
Revenue, Proportionate Basis	284,920	246,265	38,655	1,045,596	929,911	115,685
Operating Expenses, Proportionate Basis	223,181	199,607	23,574	831,898	730,305	101,593
Same Property NOI	53,847	45,489	8,358	190,993	195,764	(4,771)
NOI	61,739	46,658	15,081	213,698	199,606	14,092
Administrative expenses	9,918	8,771	1,147	39,288	35,054	4,234
Adjusted EBITDA	53,701	38,575	15,126	179,042	168,086	10,956
OFFO	38,996	29,432	9,564	127,114	116,119	10,995
AFFO	32,635	25,084	7,551	109,612	103,221	6,391
Dividends declared	22,493	19,332	3,161	86,686	72,064	14,622
AFFO Payout Ratio	68.9 %	77.1 %	(8.2)%	79.1 %	69.8 %	9.3 %
Total assets	2,536,958	1,859,807	677,151	2,536,958	1,859,807	677,151
PER SHARE INFORMATION						
OFFO per share	0.409	0.356	0.053	1.387	1.522	(0.135)
AFFO per share	0.343	0.304	0.039	1.196	1.353	(0.157)
Dividends per share	0.234	0.234	—	0.936	0.936	—
FINANCIAL RATIOS						
Net Debt to Adjusted Gross Book Value as at period end	40.7 %	36.3 %	4.4 %	40.7 %	36.3 %	4.4 %
Weighted Average Cost of Debt as at period end	3.9 %	3.8 %	0.1 %	3.9 %	3.8 %	0.1 %
Net Debt to Adjusted EBITDA as at period end ⁽³⁾	7.6	5.7	1.9	7.6	5.7	1.9
Interest Coverage Ratio ⁽³⁾	3.6	3.9	(0.3)	3.6	3.9	(0.3)
Debt Service Coverage Ratio ⁽³⁾	2.6	2.6	—	2.6	2.6	—
Weighted Average Term to Maturity as at period end	5.7	6.7	(1.0)	5.7	6.7	(1.0)
CHANGE IN SAME PROPERTY NOI						
Retirement			17.5 %			13.8 %
LTC			19.1 %			(12.6)%
Total			18.4 %			(2.4)%

1. The Key Performance Indicator table presents selected non-GAAP measures and KPI for the periods ended December 31, except for administrative expenses, total assets, and dividends declared, which are reported on an IFRS basis. Refer to the *Non-GAAP Measures* section in this MD&A for definitions and further details.
2. Excludes the unavailable 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.
3. Calculated for a trailing twelve-month periods ended December 31, 2025 and December 31, 2024.

The following table represents the Key Performance Indicators adjusted for One-Time Items 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,		
	2025	2024	Change	2025	2024	Change
OCCUPANCY						
Retirement - Average Same Property	94.7 %	92.9 %	1.8 %	93.4 %	91.3 %	2.1 %
Retirement - Average Optimization Portfolio	84.3 %	76.4 %	7.9 %	82.2 %	74.6 %	7.6 %
Retirement - Average total occupancy	90.2 %	89.8 %	0.4 %	90.5 %	87.9 %	2.6 %
LTC - Average private occupancy ⁽²⁾	98.4 %	97.7 %	0.7 %	97.5 %	97.1 %	0.4 %
LTC - Average total occupancy ⁽²⁾	98.3 %	98.4 %	(0.1)%	98.2 %	98.2 %	— %
FINANCIAL						
Revenue, Proportionate Basis, excluding One-Time Items	278,448	243,801	34,647	1,035,594	900,386	135,208
Operating Expenses, Proportionate Basis, excluding One-Time Items	223,181	199,607	23,574	831,556	730,305	101,251
Same Property NOI, excluding One-Time Items	47,375	43,025	4,350	181,333	166,239	15,094
NOI, excluding One-Time Items	55,267	44,194	11,073	204,038	170,081	33,957
Administrative expenses	9,918	8,771	1,147	39,288	35,054	4,234
Adjusted EBITDA, excluding One-Time Items	47,229	36,111	11,118	169,382	138,561	30,821
OFFO, excluding One-Time Items	34,245	27,623	6,622	120,023	94,445	25,578
AFFO, excluding One-Time Items	27,884	23,275	4,609	102,521	81,547	20,974
Dividends declared	22,493	19,332	3,161	86,686	72,064	14,622
AFFO Payout Ratio, excluding One-Time Items	80.7 %	83.1 %	(2.4)%	84.6 %	88.4 %	(3.8)%
Total assets	2,536,958	1,859,807	677,151	2,536,958	1,859,807	677,151
PER SHARE INFORMATION						
OFFO per share, excluding One-Time Items	0.359	0.334	0.025	1.310	1.238	0.072
AFFO per share, excluding One-Time Items	0.293	0.282	0.011	1.119	1.069	0.050
Dividends per share	0.234	0.234	—	0.936	0.936	—
FINANCIAL RATIOS						
Net debt to Adjusted Gross Book Value at period end	40.7 %	36.3 %	4.4 %	40.7 %	36.3 %	4.4 %
Weighted Average Cost of Debt at period end	3.9 %	3.8 %	0.1 %	3.9 %	3.8 %	0.1 %
Net debt to Adjusted EBITDA at period end, excluding One-Time Items ⁽³⁾	8.1	6.9	1.2	8.1	6.9	1.2
Interest Coverage Ratio, excluding One-Time Items ⁽³⁾	3.4	3.3	0.1	3.4	3.3	0.1
Debt Service Coverage Ratio, excluding One-Time Items ⁽³⁾	2.4	2.2	0.2	2.4	2.2	0.2
Weighted Average Term to Maturity at period end	5.7	6.7	(1.0)	5.7	6.7	(1.0)
CHANGE IN SAME PROPERTY NOI, EXCLUDING ONE-TIME ITEMS ⁽⁴⁾						
Retirement			15.4 %			14.3 %
LTC			5.6 %			4.8 %
Total			10.1 %			9.1 %

1. The above table presents selected non-GAAP measures and KPI for the periods ended December 31, except for administrative expenses, total assets, and dividends declared, which are reported on an IFRS basis. Refer to the *Non-GAAP Measures* section in this MD&A for definitions and further details.

2. Excludes the unavailable 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.

3. Calculated for a trailing twelve-month periods ended December 31, 2025 and December 31, 2024.

4. The following table summarizes One-Time Items recognized for three and twelve months ended December 31, including items related to the prior years:

Thousands of Canadian dollars	2025			2024		
	Amount	Taxes	Amount net of Taxes	Amount	Taxes	Amount net of Taxes
Ontario one-time funding ^(a)	—	—	—	10,064	2,676	7,388
British Columbia retroactive funding ^(b)	1,371	365	1,006	13,591	3,614	9,977
Workplace Safety Insurance Board ("WSIB") refund ^(c)	1,817	483	1,334	3,406	906	2,500
Total One-Time Items as of Q3 YTD	3,188	848	2,340	27,061	7,196	19,865
WSIB refund ^(c)	3,609	960	2,649	—	—	—
British Columbia retrospective funding ^(b)	2,863	761	2,102	2,464	655	1,809
Total One-Time Items in Q4	6,472	1,721	4,751	2,464	655	1,809
Total	9,660	2,569	7,091	29,525	7,851	21,674

(a) In 2024, the Company recognized one-time funding from the Government of Ontario of \$13,419, of which \$10,064 related to 2023.

(b) In Q4 2025, the Company recognized one-time funding of \$2,863 from the Government of British Columbia related to the prior year. In Q3 2025, the Company recognized one-time funding of \$1,371 from the Government of British Columbia related to the prior year. In Q4 2024, the Company recognized retroactive funding of \$2,464 from the Government of British Columbia related to the prior year. In Q1 2024, the Company received retroactive funding of \$16,055 from the Government of British Columbia, including \$13,591 related to prior years.

(c) In Q4 2025, the Company recognized a WSIB refund of \$3,609 related to prior years. In Q1 2025, the Company recognized a WSIB refund, net of expenses of \$1,817 related to prior years. In Q2 2024, the Company recognized a WSIB refund of \$3,406 related to prior years.

Fourth Quarter 2025 Summary

In 2025, Sienna has made considerable progress in growing the Company. Our Q4 2025 results highlight our ongoing initiatives to deliver on Sienna's growth strategies across both lines of business and improve our operating platforms.

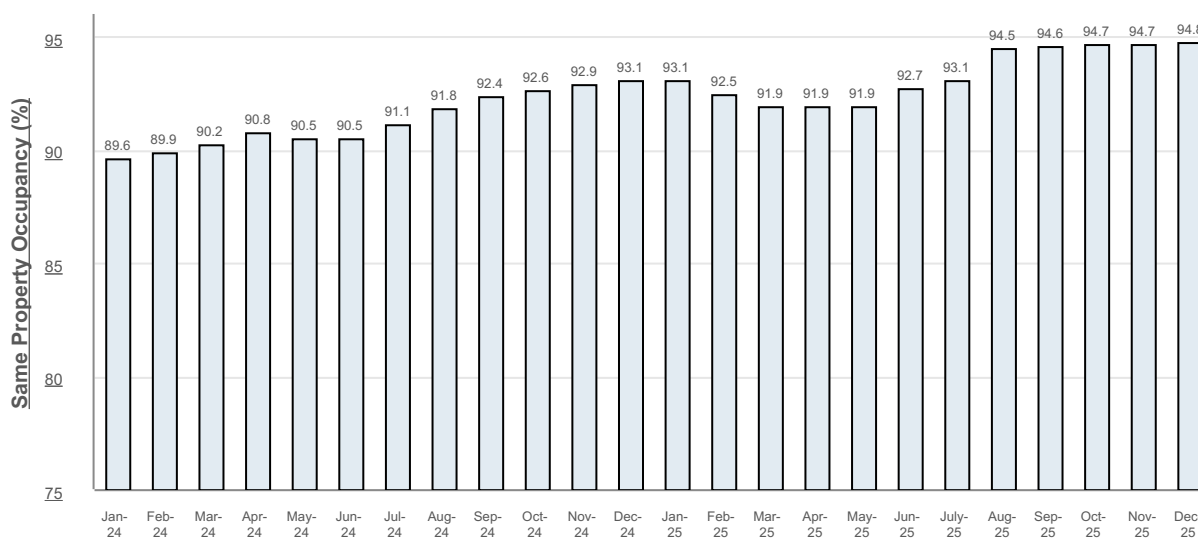
Q4 2025 also marked the continued year-over-year growth of our operating results. Same Property NOI, excluding One-Time Items, increased by 10.1% year-

over-year in Q4 2025, including by 15.4% in the retirement segment and by 5.6% in the LTC segment.

Retirement Same Property Occupancy - Average Same Property occupancy in the retirement portfolio was 94.7% in Q4 2025, up 180 basis points ("bps") year-over-year from 92.9% in Q4 2024.

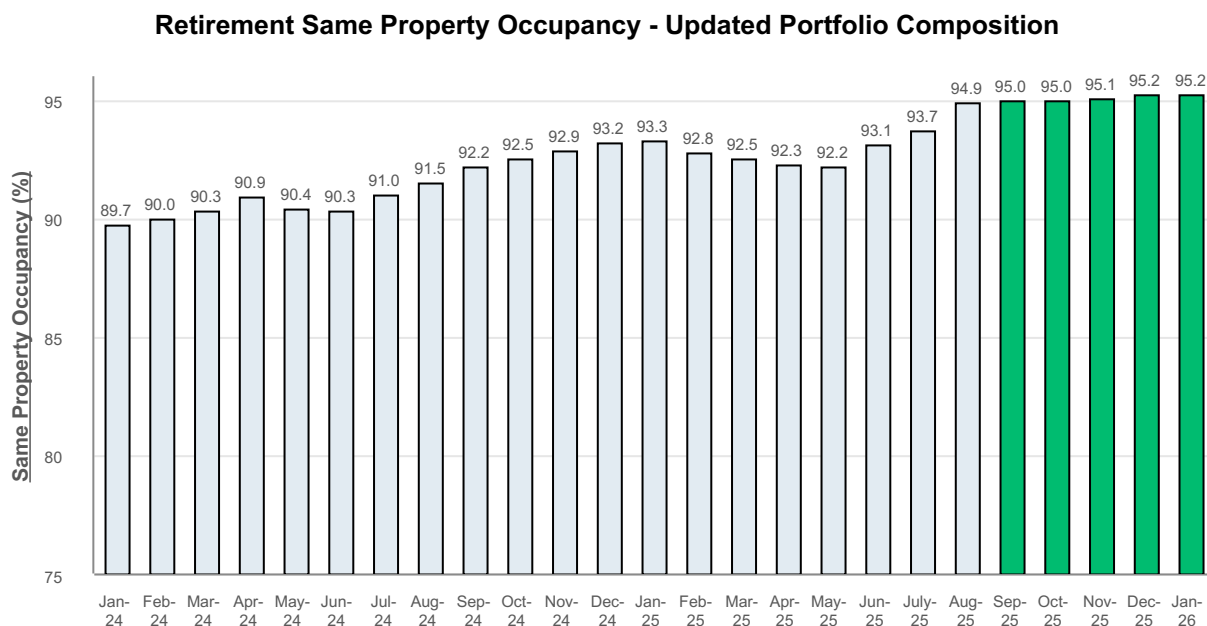
The following chart shows the monthly average retirement Same Property occupancy over the past two years.

Retirement Same Property Occupancy



Effective January 1, 2026, Sienna updated the composition of its Same Property retirement portfolio to reflect ongoing asset optimization activities. Renovations at one property undergoing optimization in 2025 were completed and the property was returned to the Company's Same Property portfolio as at January 1, 2026. At the same time, two properties were transferred from the Same Property portfolio to the Optimization Portfolio.

The following chart shows the monthly average retirement Same Property occupancy based on the Company's updated portfolio composition effective as of January 1, 2026. Based on the updated composition, monthly same property occupancy reached or exceeded 95% since September 2025.



LTC Occupancy - Average occupancy in the LTC portfolio was 98.3% in Q4 2025, compared to 98.4% in Q4 2024.

Revenue, Proportionate Basis, excluding One-Time Items increased by 14.2% in Q4 2025, or \$34,647, to \$278,448, compared to Q4 2024. In the retirement segment, the increase of \$13,308, or 22.9%, compared to Q4 2024, was primarily attributable to occupancy growth, rental rate increases in line with market conditions, as well as higher care revenue. In the LTC segment, the increase of \$21,339, or 11.5%, compared to Q4 2024, was primarily due to higher flow-through funding for direct care and increased private accommodation revenue. In addition, both the LTC and retirement segments benefitted from acquisitions and developments completed in 2025.

Operating Expenses, Proportionate Basis, excluding One-Time Items increased by \$23,574 in Q4 2025, or 11.8%, to \$223,181, compared to Q4 2024. In the retirement segment, the increase was primarily driven by acquisitions in 2025. In the LTC segment, the increase was mainly due to higher direct care labour, increased utilities and repair and maintenance expenses, and

additional operating expenses from acquisitions and developments completed in 2025.

NOI, excluding One-Time Items increased by \$11,073 in Q4 2025, or 25.1%, to \$55,267, compared to Q4 2024. NOI, excluding One-Time Items, increased by \$6,105 in the retirement segment and by \$4,968 in the LTC segment as a result of revenue and operating expense changes as discussed above.

OFFO, excluding One-Time Items increased by 24.0% in Q4 2025, or \$6,623, to \$34,245 compared to Q4 2024. The increase was primarily due to higher NOI in Q4 2025. OFFO per share, excluding One-Time Items, increased by 7.5%, or \$0.025, to \$0.359 in Q4 2025.

AFFO, excluding One-Time Items increased by 19.8%, or \$4,610, to \$27,884 in Q4 2025, compared to Q4 2024. The increase was primarily driven by higher OFFO, offset by increased maintenance capital expenditures. AFFO per share, excluding One-Time Items, increased by 3.9% in Q4 2025 to \$0.293.

AFFO Payout Ratio, excluding One-Time Items lowered to 80.7% from 83.1% in Q4 2024, reflecting the Company's strong operating results and progressive

deployment of capital raised in recent equity issuances toward acquisitions.

Net Debt to Adjusted Gross Book Value increased by 440 bps to 40.7% at the end of Q4 2025, from 36.3% at the end of Q4 2024, primarily due to the issuance of \$250 million of unsecured debentures in December 2025 and new mortgages from acquisitions in 2025. Net Debt to Adjusted EBITDA, excluding One-Time Items, increased to 8.1 times in Q4 2025 from 6.9 times in Q4 2024, and the Debt Service Coverage Ratio, excluding One-Time Items, increased to 2.4 times in Q4 2025 compared to 2.2 times in Q4 2024. The Interest Coverage Ratio, excluding One-Time Items, increased to 3.4 times in Q4 2025 compared to 3.3 times in Q4 2024. The Weighted Average Cost of Debt was 3.9% at the end of Q4 2025, as compared to 3.8% at the end of Q4 2024. The Weighted Average Term to Maturity decreased to 5.7 years in Q4 2025, from 6.7 years in Q4 2024. 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 Canada Mortgage and Housing Corporation ("**CMHC**") insured mortgages.

Business Update

2025 has been a year of significant growth for Sienna. We completed approximately \$803 million of acquisitions and developments across both lines of business in the provinces of Ontario, Alberta and British Columbia. These additions strengthened Sienna's national presence and further enhanced the scale, quality, and geographic diversity of the Company's long-term care and retirement operations.

To support Sienna's accelerated growth momentum and to refinance the Company's expiring debt, including the early redemption of its \$175 million Series B Senior Unsecured Debentures (the "**Series B Debentures**") on December 22, 2025, Sienna issued \$425 million of unsecured debentures in two separate transactions, completed a bought deal offering of common shares for approximately \$144 million and issued approximately 6.3 million shares under the Company's At-The-Market Equity Distribution Program ("**ATM Program**") for gross proceeds of approximately \$125 million.

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.

With deep experience and scale in both retirement and long-term care, the Company runs 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 require support with daily living and healthcare.

At the same time, many hospitality elements that define our retirement platform can also be applied at our long-term care operations to further enhance the resident experience.

We 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 benefitting from the stability of the government-funded long-term care operations.

Acquisitions Update

In 2025, the Company completed \$595 million of acquisitions. The properties are either located in close proximity to other properties owned by the Company, which allows us to benefit from synergies, or, in the case of our portfolio acquisition in Alberta, in a new market with significant growth potential.

The table below provides key information with respect to the acquisitions completed in 2025:

Property Name / Segment	Year Built	Location	Number of Beds/ Suites	Purchase Price (\$M) ⁽¹⁾	Investment Yield (%) ⁽²⁾⁽³⁾
Q1 2025					
Nicola Lodge / LTC (30%)	2016	Greater Vancouver Area, British Columbia	256	\$ 26.5	6.75
				\$ 26.5	
Q2 2025					
Alberta Portfolio / LTC	2022/2023	Calgary, Edmonton, Medicine Hat, Fort Saskatchewan, Alberta	540	\$ 181.6	6.50
Wildpine / Retirement	2019	Ottawa, Ontario	165	\$ 48.0	6.25
Hazeldean Gardens / Retirement	2018	Ottawa, Ontario	172	\$ 85.3	6.33
				\$ 314.9	
Q3 2025					
Credit River / Retirement	2016	Greater Toronto Area, Ontario	133	\$ 60.2	5.75
				\$ 60.2	
Q4 2025					
Cawthra Gardens / LTC	2003	Greater Toronto Area, Ontario	192	\$ 32.6	6.75
Hygate / Retirement	2021	Waterloo, Ontario	213	\$ 93.3	6.00
LaSalle Park / Retirement	2013	Greater Toronto Area, Ontario	123	\$ 67.2	5.70
				\$ 193.1	
Total Acquisitions				\$ 594.7	6.24

1. Purchase price excludes working capital and other adjustments.

2. This is a KPI. Refer to the *Non-GAAP Measures* section in this MD&A for definition and additional information.

3. The Investment Yield for total acquisitions represents the weighted average Investment Yield based on the purchase price for acquisitions.

Acquisition of 30% Interest in Nicola Lodge Community ("Nicola Lodge")

On February 28, 2025, Sienna completed the acquisition of the remaining 30% interest in Nicola Lodge, a 256-bed long-term care community managed and partially owned by the Company. With this transaction, Sienna's ownership increased to 100%.

The transaction was financed through the assumption of the remaining share of an in-place mortgage as well as cash on hand.

Acquisition of Alberta Portfolio

On April 1, 2025, Sienna completed the acquisition of a portfolio of four continuing care homes in Alberta for an aggregate purchase price of \$187.9 million, including working capital adjustments. The acquisition was financed through the assumption of approximately \$150.6 million of CMHC-insured debt with a weighted average interest rate of approximately 4.6%, with the balance financed with cash on hand.

This was Sienna's first acquisition in Alberta, a market the Company intends to further expand into as new opportunities emerge.

Acquisition of Wildpine Residence ("Wildpine")

On April 15, 2025, Sienna completed the acquisition of Wildpine in Ottawa, Ontario, a 165-suite retirement residence consisting of 119 IL and 46 AL units, for an aggregate purchase price of \$47.3 million, including working capital adjustments. The property's occupancy is stabilized and is benefitting from the rapidly improving supply-demand fundamentals in the Ottawa market.

The acquisition was financed through the assumption of approximately \$25.2 million of CMHC-insured debt and available cash on hand.

Acquisition of Hazeldean Gardens Retirement Living ("Hazeldean Gardens")

On June 18, 2025, the Company completed the acquisition of Hazeldean Gardens in Ottawa, Ontario, a 172-suite retirement residence consisting of 129 IL, 31 AL, and 12 MC units.

The property was acquired for \$86.6 million, including a performance-based payment of \$3.75 million, an additional performance-based contingent payment of \$1.25 million, and working capital adjustments.

Sienna has financed the full purchase price with a combination of cash on hand and credit facilities.

Acquisition of Credit River Retirement Residence ("Credit River")

On August 18, 2025, the Company completed the acquisition of Credit River, a 133-suite retirement residence consisting of 84 IL, 25 AL, and 24 MC units in Streetsville, Ontario, located within the Greater Toronto Area ("**GTA**"), for a gross purchase price of \$59.8 million, including working capital adjustments. The property was acquired at an initial Investment Yield of 5.75% and financed with general corporate funds.

Acquisition of Cawthra Gardens ("Cawthra Gardens")

On October 1, 2025, the Company completed its acquisition of Cawthra Gardens, a 192-bed Class A long-term care home in Mississauga, Ontario, for a gross purchase price of \$32.6 million, including a \$2.0 million capital allowance that the Company plans to use within the first 12 months subsequent to the closing of the transaction.

The property was acquired at an initial Investment Yield of 6.75% and financed through the use of general corporate funds.

Acquisition of Hygate on Lexington ("Hygate")

On December 15, 2025, the Company completed the acquisition of Hygate, a 213-suite retirement residence located in Waterloo, Ontario. The property consists of 123 IL units, 40 AL units and 50 seniors apartments.

The property was acquired for \$93.3 million with a stabilized Investment Yield of approximately 6.0%. Hygate is currently in lease-up and is expected to reach stabilized occupancy within two years of closing.

The property includes a 4.7-acre development site with municipal zoning for a retirement residence or residential condominium.

The acquisition was financed with cash on hand and existing credit facilities.

Acquisition of LaSalle Park Retirement Residence ("LaSalle Park")

On December 18, 2025, the Company completed the acquisition of LaSalle Park, a 123-suite retirement residence located in Burlington, Ontario.

The property is approximately 96% occupied and consists of 92 IL and 31 AL units. Sienna acquired a 78.2% interest in the property for a gross purchase price of approximately \$67.2 million with an initial Investment Yield of approximately 5.70%.

The acquisition of the 78.2% interest was financed through the assumption of approximately \$26.7 million in debt at an interest rate of approximately 4.4%, with the remaining balance financed with cash on hand.

Development/Redevelopment Update in Ontario

Sienna's development projects are expected to have a positive impact on our operating results and support the Company's growth and renewal plans for its long-term care portfolio.

In Q3 2025, the Company successfully completed two development projects under construction in Ontario.

Northern Heights Community

In July 2025, we completed construction at our Northern Heights Community in North Bay, a 160-bed long-term care redevelopment, which replaced the 148 older Class C beds at Sienna's Waters Edge Community.

The total development cost for this project, which has an Expected Development Yield of 8.0%, is approximately \$76 million. On July 16, 2025, the Company received a \$4.0 million development grant from the Government of Ontario in connection with the completion of this redevelopment.

In addition, with the opening of Northern Heights and the relocation of residents to their new home in early September, the Company became eligible to receive an annual construction funding subsidy in the amount of \$3.3 million for a 25-year period.

Aspira Brants Landing & Oakwood Commons Campus of Care

In Q3 2025, we completed our campus of care in Brantford, where we replaced 122 Class C long-term care beds with 160 Class A beds and added a 147-suite retirement residence. Our first residents started to move into Aspira Brants Landing Retirement Living in September and the relocation of residents from their long-term care home to the newly developed Oakwood Commons Community took place in mid-October.

The estimated total development cost for the campus of care is approximately \$132 million, with an Expected Development Yield of approximately 8.5%. On December 22, 2025, the Company received a \$4.0 million development grant from the Government of Ontario in connection with the completion of this redevelopment.

Birch Landing Community

With respect to our long-term care redevelopment project in Keswick, Ontario, we started construction of the Birch Landing Community 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 is redeveloping the current 60-bed long-term care home into a 160-bed community, adding 100 new beds.

As a result of site conditions, the expected completion date of this project has been revised from Q1 2027 to the second half of 2027.

Capital Markets Update

\$144 Million Equity Offering

On February 27, 2025, Sienna completed a bought deal offering of common shares to support the Company's growth initiatives. A total of approximately 9.1 million shares were issued at a price of \$15.80 per share for aggregate gross proceeds of \$143.9 million.

At-The-Market Equity Distribution Program

On May 6, 2025, Sienna established an ATM Program, which allows the Company from time to time during favourable market conditions to issue up to \$125 million of common shares to raise equity to fund its growth. Any common shares sold under the ATM Program are

distributed through the Toronto Stock Exchange or any other permitted marketplace at the market prices prevailing at the time of sale.

In Q4 2025, approximately 5.0 million shares were issued under the ATM Program for gross proceeds of approximately \$101.1 million at an average share price of \$20.15. As at December 31, 2025, the \$125 million ATM Program was fully utilized, with approximately 6.3 million shares issued at an average share price of \$19.73.

Confirmation of Credit Rating

On August 1, 2025, Morningstar DBRS announced the confirmation of the Company's BBB Issuer Rating and ratings on its Senior Unsecured Debentures, with trends remaining "Stable".

Maintaining a strong credit rating is supporting Sienna's platform expansion as it enhances the Company's ability to access capital at attractive terms.

\$175 Million Unsecured Debenture Issuance

On August 21, 2025, the Company issued a \$175 million aggregate principal amount of Series E senior unsecured debentures (the "**Series E Unsecured Debentures**"), bearing an interest rate of 4.112% per annum and maturing on August 21, 2030. The Series E Unsecured Debentures are rated BBB (Stable) by Morningstar DBRS.

\$250 Million Unsecured Debenture Issuance and Early Redemption of Expiring Series B Unsecured Debentures

On December 18, 2025, the Company issued a \$250 million aggregate principal amount of Series F senior unsecured debentures (the "**Series F Unsecured Debentures**"), bearing an interest rate of 3.524% per annum and maturing on December 18, 2028. The Debentures are rated BBB (Stable) by Morningstar DBRS.

Net proceeds from the offering were used to fund the early redemption of the Company's \$175 million Series B senior unsecured debentures (the "**Series B Unsecured Debentures**") and for general corporate purposes.

Subsequent Events

Acquisition of 22.8% interest in Glenmore Lodge Community ("Glenmore Lodge")

On January 31, 2026, the Company completed its acquisition of the remaining 22.8% interest in Glenmore Lodge, a 118-bed long-term care community located in Kelowna, British Columbia, for a gross purchase price of approximately \$10.1 million with an Investment Yield of approximately 6.65%. With this transaction, Sienna's ownership increased to 100%.

The acquisition of the 22.8% interest was financed with approximately \$5.8 million of cash on hand as well as the assumption of the remaining 22.8% of the existing property-level mortgage of approximately \$4.3 million, bearing interest at a rate of 4.68% and maturing in 2032.

Acquisition of 10.9% interest of LaSalle Park

On February 1, 2026, the Company acquired an additional 10.9% interest for gross proceeds of approximately \$9.4 million on February 1, 2026, which it financed with cash on hand as well as the assumption of 10.9% of the existing property-level mortgage, or approximately \$3.7 million, and expects to acquire the final 10.9% interest in the property in five years. Management of the property will remain with a third party for a period of five years.

Acquisition of The Bartlett Retirement Residence ("The Bartlett")

On February 13, 2026, the Company entered into a purchase agreement to acquire The Bartlett, a 129-suite independent living retirement residence in Oshawa, Ontario. The gross purchase price for the property is approximately \$59.4 million, or \$461,000 per suite, with an initial Investment Yield of approximately 5.75%.

The acquisition will be financed through available cash on hand, is subject to transaction approvals and customary closing conditions, and is expected to close within 60 days.

Renewal of ATM Program

On February 19, 2026, Sienna's Board of Directors approved the renewal of the ATM Program. The Program allows the Company to issue up to \$150 million of shares at its discretion during the term of the ATM

Program and providing additional financing flexibility to fund growth initiatives and for general corporate purposes.

Retirement Operations Update

As at December 31, 2025, the Company's owned retirement portfolio comprised 5,543 suites across Ontario, Saskatchewan and British Columbia and contributed approximately 49% to NOI, excluding One-Time Items in Q4 2025. Same Property NOI, excluding One-Time Items increased by 15.4% year-over-year compared to Q4 2024.

Average Same Property occupancy in the retirement portfolio was 94.7% in Q4 2025, up 180 basis points ("**bps**") year-over-year from 92.9% in Q4 2024.

Our robust sales platform and intensified focus on generating strong interest in our residences, as well as continued improvements to our operations and favourable supply/demand fundamentals all supported this significant year-over-year occupancy improvement. Occupancy continued to strengthen subsequent to the end of Q4 2025, increasing to 95.2% during the month of January 2026, based on the Company's updated Same Property portfolio composition.

Year-over-year, Same Property NOI growth in Q4 2025 was supported by a 300 bps margin growth as a result of rate increases in line with market rates in addition to the year-over-year occupancy increase and higher care revenue.

Combined with our asset optimization initiatives and disciplined cost management, we expect to drive continued margin expansion in the retirement segment.

Asset Optimization Initiatives

Sienna believes that there is a significant opportunity to create additional value in certain assets through initiatives that optimize occupancy, NOI and margins, and to ensure market competitiveness. These initiatives include interior renovations, changes in service offerings, and the addition of services to reflect the evolving needs of residents and market conditions.

In 2025, the Optimization Portfolio comprised five retirement residences undergoing near term

optimization. With an average occupancy of 84.3% in Q4 2025, these properties have already shown meaningful year-over-year improvements. Average occupancy increased by approximately 790 bps over Q4 2024. As optimization efforts continue, the portfolio is expected to make an ongoing contribution to Sienna's overall NOI growth.

The five assets in the Optimization Portfolio, together with two retirement residences currently in lease-up, as well as five retirement residences acquired in 2025, were included in the "Growth and Optimization" portfolio of the Company.

The following table summarizes the assets in the Growth and Optimization portfolios in Q4 2025:

Portfolio Type	Number of Properties	Number of Suites	Q4 2025 Occupancy	Q4 2024 Occupancy
Optimization Portfolio	5	535	84.3 %	76.4 %
Growth Portfolio	7	1,102	74.2 %	49.8 %

Effective January 1, 2026, the composition of Sienna's Same Property portfolio was updated to reflect the Company's ongoing asset optimization initiatives. These changes include the transfer of one asset from the Optimization Portfolio to the Same Property portfolio following its successful optimization. In addition, two assets expected to undergo optimization in 2026 have been reclassified to the Optimization Portfolio.

The following table below summarizes the assets in the Optimization Portfolio based on the updated portfolio composition:

Portfolio Type	Number of Properties	Number of Suites	Q4 2025 Occupancy	Q4 2024 Occupancy
Optimization Portfolio	6	674	84.7 %	80.5 %

Marketing and Sales Initiatives

Strong community engagement remains a key priority for 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 also leverage and continually 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 support of residences with higher vacancy levels, we also provide targeted on-site sales, marketing, and community outreach support, complementing our broader local and centralized marketing and sales initiatives.

In addition, Sienna continues its focus on localized social media campaigns.

Long-term Care Operations Update

In Q4 2025, Same Property NOI, excluding One-Time Items, increased by 5.6% year-over-year in the Company's long-term care portfolio.

A stable operating environment and the continued improvements in private occupancy contributed to the year-over-year increase across Sienna's LTC platform.

Sienna's LTC Same Property NOI, excluding One-Time Items, contributed approximately 51% to the Company's total NOI in Q4 2025.

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.

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.

Accreditation – The Company's efforts of focusing on residents' quality of life and care are reflected in the most recent accreditation results from the Commission on Accreditation of Rehabilitation Facilities ("**CARF**").

During Q4 2025, CARF conducted surveys at our long-term care communities in Ontario. Sienna maintained the highest achievement status, outperforming every benchmark, and received a three-year award from CARF.

Government Funding and Policy Update

Ontario

Ontario funding increases – The Government of Ontario has announced an annual funding increase of 2.4%, effective as at April 1, 2025, including

- an approximate 2.5% increase in its flow-through funding, which covers the cost of care, nutritional support and programs provided to residents; and
- a 2.0% increase in Other Accommodations ("OA") funding. OA funding includes funding for dietary services, housekeeping, laundry services, building/property operations, routine capital maintenance, interest and principal payments on debt, and income taxes.

Construction Funding Update - In August 2025, the Ministry of Long-Term Care ("**Ministry**") announced enhancements to its construction funding program, designed to accelerate the construction of new LTC homes and the redevelopment of older homes. The new program provides greater funding flexibility and addresses regional differences in construction costs, in particular with respect to higher building costs in the GTA.

The updated program has meaningful implications for Sienna's Class C long-term care portfolio, given that more than 80% of the Company's development pipeline is concentrated in the GTA.

Improvements include the funding of up to 85% of eligible development costs, including a higher upfront grant of up to 20%,

Funding for 3rd and 4th beds in multi-bed rooms - The Company continues to receive full OA per diem funding of \$67.90 per bed per day until March 31, 2026, for its third and fourth beds that have been phased out. Sienna currently has approximately 300 3rd and 4th beds in Ontario.

The dialogue is ongoing with the Ministry in terms of continued funding of these beds, many of which are expected to be re-opened in private and semi-private rooms as the Company redevelops its Class C portfolio.

Ontario Licence Renewals - In January 2025, the Ministry extended five-year licences for all of Sienna's Class C long-term care homes not currently under redevelopment, whose current term would have otherwise expired on June 30, 2025.

Alberta

Alberta Funding Increase – In August 2025, Assisted Living Alberta confirmed a 1.25% funding increase, effective retroactively as of April 1, 2025. The increase applies across all funded rates and at this time includes no incremental wage funding.

British Columbia

Retroactive Government Funding - The British Columbia Ministry of Health has provided retroactive funding for incremental costs associated with historical cost pressures.

Labour Relations Update - Pursuant to the agreement between the British Columbia Ministry of Health, the Health Employers Association of British Columbia ("**HEABC**") and the Facilities Bargaining Association, eligible care home operators will be required to become members of HEABC. Sienna is currently assessing the potential impact of this decision on its eight long-term care operations currently owned and operated in British Columbia. This includes evaluating any potential implications with respect to the government's wage-levelling program, which aligns wages for workers in private, government-funded, and contracted long-term care and assisted living homes with those in public sector collective agreements.

Staffing Update

Sienna remains focused on attracting and retaining an engaged workforce aligned with the Company's purpose, vision and values.

Our continued investments in our team members and culture have resulted in sustained improvements in team member engagement and retention, strengthened our employer brand, and supported Sienna's platform expansion.

These efforts also earned us the recognition by Time Magazine as one of Canada's Best Company's in 2025.

Agency Staffing Costs

With respect to staffing costs, a combination of an improved operating environment and our ability to fill shifts with Sienna's own team members have led to a continued reduction of agency staffing costs. During the fourth quarter of 2025, agency costs were \$2.3 million, a \$1.1 million year-over-year reduction compared to \$3.4 million in Q4 2024.

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, personal support workers and clinical leaders. Improved onboarding and team member orientation contributed to the significant reduction in turnover in 2025.

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, Alberta and British Columbia to ensure a talent pipeline for future staffing needs. Our collaboration with colleges and universities has resulted in more than 2,700 student placements in 2025, representing an 8% year-over-year increase in placements.

SPARK

Based on feedback from team member engagement 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 number of the submitted ideas are piloted annually with the most outstanding being rewarded with cash prizes of up to \$15,000.

During the most recent round of submissions, 148 ideas were submitted in 2025 with the ideas of five finalists being piloted in early 2026 and winners being announced in Q2 2026.

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. To date, shares have been awarded to thousands of team members.

Effective January 1, 2025, SOAR was expanded from what was originally a one-time award. Through the expanded "SOAR for Service" program, team members are awarded additional shares at significant service milestones throughout their tenure.

In 2025, shares were awarded to over 4,700 recipients, bringing the total number of awards since the start of SOAR to approximately 11,700.

Team Member Engagement

In September 2025, Sienna conducted its most recent annual team member engagement survey. Feedback from these surveys allows Sienna to build and implement action plans that help strengthen our culture, improve engagement and enhance the team member experience.

2025 was the fifth consecutive time Sienna's employee engagement score increased, demonstrating the positive impact of our ongoing efforts to foster a more engaged and connected workplace. In addition, the survey participation increased to 86%, the highest participation rate to date at Sienna.

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

Resident Experience

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. Across our retirement platform, the NPS increased by 36% and 38% year-over-year in 2024 and 2025 respectively.

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 its launch in 2024, over 125 residents have been honoured as Sparkle Award recipients.

Outlook

Long-term fundamentals in Canadian senior living are underpinned by growing demand, with seniors making up the fastest-growing demographic in Canada, and limited new supply of senior living accommodations.

Looking ahead, Sienna will continue to leverage these sector dynamics as we grow through portfolio optimization, achieve retirement occupancy improvements and drive continued retirement NOI and margin growth.

In addition, the increasing scale of our operations, combined with our ability to identify and execute on strategic transactions, is positioning us well to sustain our growth momentum. In 2025, we grew our platform by approximately \$803 million through acquisitions and developments, and we expect to continue our growth momentum going forward.

Retirement Operations

Our focus on generating strong interest in our residences, as well as continued improvements to our operations and favourable supply/demand fundamentals, supported the year-over-year occupancy and margin improvement.

Occupancy continued to strengthen subsequent to the end of 2025, increasing to 95.2% during the month of January 2026. Occupancy improvements, in addition to rate growth, also supported a year-over-year 300 bps margin expansion in Q4 2025.

Going forward, we will continue to focus on expanding the Company's NOI with our concentrated marketing and sales initiatives, operational efficiency and our asset optimization efforts. We expect Same Property NOI growth in our retirement portfolio to exceed 10% in 2026 as a result of the segment's occupancy growth, rate increases and higher care revenue.

Asset Optimization Initiatives

Sienna believes that there is a significant opportunity to create value through asset optimization initiatives at certain properties. These initiatives target a better market fit and include renovations, 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.

At the end of 2024, we identified five retirement residences that were well suited for asset optimization in the near term. With an average occupancy rate of 84.3% in Q4 2025, these assets have already seen notable improvements in 2025, with further improvements expected in 2026.

Optimization at one of the five assets has been successfully completed, and the property will be reclassified into Sienna's Same Property portfolio beginning in Q1 2026. At the same time, we identified two properties for optimization in 2026, which will be moved from the Same Property portfolio to the Optimization Portfolio in Q1 2026.

In addition to the Company's assets currently undergoing optimization, Sienna continues to evaluate strategic capital investments in well-performing properties to enhance their long-term growth potential, strengthen market positioning, and support sustained NOI and margin expansion.

Long-Term Care Operations

Sienna's LTC segment benefits from a stable operating environment, high occupancy levels and an increase in private accommodation revenues as a result of higher private occupancy.

Excluding One-Time Items, we expect the year-over-year increase of our 2026 LTC Same Property NOI for the full year to be in the low single-digit percentage range.

Growth Targets

The following table summarizes Sienna's 2026 key target for Same Property growth, excluding One-Time Items:

Segment	Performance Indicator	Target
Retirement	2026 Occupancy	95%+
Retirement	2026 Margin Growth (YoY)	100 bps - 150 bps
Retirement	2026 NOI Growth (YoY)	10%+
LTC	2026 NOI Growth (YoY)	Low single-digit %

Developments

The following table summarizes development projects that were completed or under construction during 2025:

Projects	Property Type	Actual/ Estimated Completion	Number of Beds / Suites	Actual/ Estimated Development Costs	Development Grant	Annual Construction Subsidy ⁽¹⁾	Expected Development Yield
Brantford ⁽²⁾	LTC / Retirement	Q3 2025 ⁽²⁾	160 / 147	\$132M	\$4.0M	\$3.3M	8.5 %
North Bay ⁽²⁾	LTC	Q3 2025 ⁽²⁾	160	\$76M	\$4.0M	\$3.3M	8.0 %
Projects Completed			320/ 147	\$208M	\$8.0M	\$6.6M	
Keswick ⁽³⁾	LTC	H2 2027	160	\$87M	\$8.2M	\$3.5M	8.5 %
Projects Under Construction			160	\$87M	\$8.2M	\$3.5M	
Total			480/ 147	\$295M	\$16.2M	\$10.1M	

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

². Construction at North Bay and Brantford was completed in July and August 2025, respectively.

³. The estimated development cost and expected Development Yield may change based on the assessment of site conditions.

Completion of Development Projects

During Q3 2025, the Company completed the construction of its development projects in North Bay and Brantford on time and below budget, and successfully relocated residents to their new LTC Communities in addition to admitting new residents to these redevelopments with increased capacity. Residents also started to move into Aspira Brants Landing Retirement Living in Brantford in September.

We received a 30-year licence from the Ministry for the two completed LTC projects, providing stable, government-funded cash-flows, which are expected to grow in line with inflation.

The expected completion date of Sienna's redevelopment project in Keswick, Ontario has been revised from Q1 2027 to the second half of 2027, as a result of site conditions.

Financial Impact of Completed Developments

Each of our redevelopment projects is expected to have a significant positive impact on our operating results. Our completed long-term care projects in North Bay and Brantford have reached full occupancy in Q4 2025 and we are targeting annual increases to our AFFO of approximately \$4.7 million per project.

Impact of New Construction Funding Program

In July 2025, the Ministry of Long-Term Care in Ontario announced a new construction funding program, providing greater funding flexibility and addressing regional differences in construction costs, in particular with respect to higher building costs in the GTA. With over 80% of our development pipeline located in the GTA, we were encouraged by the significant funding improvement.

As a result, we anticipate to start the construction of a 448-bed redevelopment project at the site of Sienna's Glen Rouge Community in Toronto, Ontario, during the second half of 2026. The redevelopment is expected to replace 363 beds and add 85 new beds at an approximated cost of \$250 million, and generate a Development Yield of approximately 7.5% - 8.0%. This project is expected to be completed in 2030.

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 the Company's assets undergoing optimization, Sienna continues to evaluate strategic capital investment opportunities in well-performing properties to enhance their long-term growth potential, strengthen market positioning, and support sustained NOI and margin expansion.

Further 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 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 NOI expansion including:

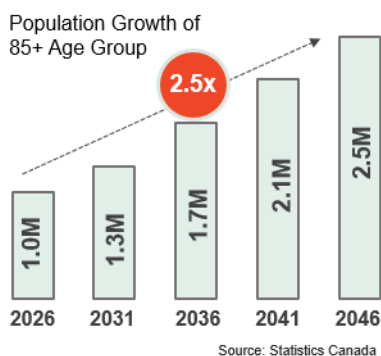
- **Occupancy growth in the Company's retirement segment**, including incremental NOI, as we are reaching and start exceeding a stabilized average occupancy level of 95.0% in our same-property portfolio;
- **Contributions from the Company's acquisitions** completed in 2025, comprising approximately 1,800 suites/beds in Ontario, Alberta and British Columbia;
- **Contributions from the Company's new developments** in North Bay and Brantford, two projects which were completed in Q3 2025, and in Keswick, a project which is expected to be completed in the second half of 2027; and
- **Contributions from the Company's asset optimization initiatives**, including from its six assets in Sienna's Optimization Portfolio.

These initiatives could have a significant positive impact on the value of Sienna's business and enhance its financial performance.

Industry Update

Demand for senior living is driven by an aging population. According to Statistics Canada's most recent census data, 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 long-term care or retirement residence.

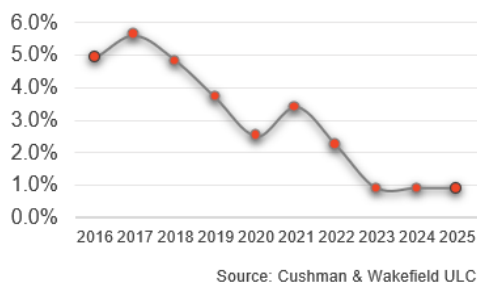
The following chart highlights the projected population growth of seniors aged 85 or older in Canada:



Slowing Supply of Retirement Residences

Due to a combination of factors including rising construction costs, 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 2017 is resulting in less competition from newly completed developments and is expected to support continued occupancy growth in Canadian senior living. In 2025, construction starts were less than 1% of the existing inventory for the third consecutive year, according to Cushman & Wakefield ULC.

The following chart 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 waitlists and increasing pressure on hospital systems. In Ontario, the waitlist has doubled over the last 10 years and has surpassed 50,000 in 2025, 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.

Barriers to Entry

The senior living sector in Canada continues to be fragmented and highly regulated, with various 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 a rental or some form of ownership, such as a 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. Accommodations may be a studio, or 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, some residences deliver AL services through private-pay or government funded home care services.
- **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.

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;
- Introduce training programs 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;

- 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 person-centred programs, dining, services and care.

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 sizable 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, developments, as well as growing capacity at existing retirement residences with excess land.

Corporate Impact

Sienna's impact on its team members, its residents and the local communities is highlighted in the Company's 2025 Impact Report published in August 2025. For more information on Sienna's far-reaching impact, please refer to the Corporate Impact section on Sienna's website under <https://www.siennaliving.ca/investors/corporate-impact>.

Sustainability 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.

Our Purpose, Vision & Values

Our Purpose

Cultivating happiness in daily life - Each of our actions and initiatives affects our residents' quality of life and well-being, while also impacting 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 our residents with the highest quality of service and care - 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 in a comfortable, home-like setting. Consistently doing this supports Sienna's vision to be Canada's most trusted and most loved senior living provider. With this vision, we strive to 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

Building a Strong Team

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. Effective January 1, 2025, SOAR has been expanded from what was originally a one-time award. Through the expanded "SOAR for Service" program, team members are awarded additional shares at significant service milestones throughout their tenure at Sienna.

Since the start of SOAR, shares were awarded to approximately 11,700 recipients.

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.

Named by Time Magazine as one of Canada's Best Companies in 2025

Sienna's recognition by Time Magazine as one of Canada's Best Companies in 2025 is the result of high team member satisfaction, strong growth and robust sustainability practices. It reflects the passion of our team members who bring Sienna's Purpose to life every day.

Giving Back to the Community

Sienna for Seniors Foundation ("Foundation")

The Foundation was formed in 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. Sienna relies on team members from across Canada to identify charities doing impactful work in their communities.

The Foundation receives support from external partners, strengthening its ability to support seniors' charities in the communities it serves.

In 2025, Sienna was able to significantly expand the reach of the Foundation as a result of record support from both business partners and team members, and was able to pledge its support to a growing number of impactful programs across Canada.

One of the Foundation's significant milestones in 2025 was the groundbreaking partnership with Ontario Tech University and launch of The Sienna Senior Living Research Centre for Healthy Aging and Happiness through the Foundation's \$1.0 million donation - the largest gift since its creation in 2021.

The Foundation is also funding education through post-secondary scholarships at Ontario Tech University, York University and the University of British Columbia.

By supporting education, Sienna is helping to build a stronger, more sustainable workforce that can meet the needs of an aging population.

Improving Sienna's Environmental Footprint

Addressing Climate Change through Development

Our retrofitting and redevelopment initiatives are an opportunity to address climate change in both the

Company's existing properties 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, updated energy-

efficient windows and fixtures, and waste management systems to reduce landfill waste.

In late 2025, the Company was awarded the 2025 Energy Efficiency Leadership Award from the BC Care Providers Association for its initiatives toward energy savings.

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,		
	2025	2024	Change	2025	2024	Change
Revenue	274,244	236,353	37,891	1,004,937	893,158	111,779
Operating expenses	216,368	192,762	23,606	805,321	704,014	101,307
Depreciation and amortization	16,964	13,102	3,862	59,264	51,104	8,160
Administrative	9,918	8,771	1,147	39,288	35,054	4,234
Share of net (income)/loss in joint ventures	(1,843)	2,096	(3,939)	(1,959)	9,585	(11,544)
Net finance charges	12,232	7,804	4,428	40,937	37,896	3,041
Transaction costs	6,564	931	5,633	16,584	2,674	13,910
Gain on disposal of property and equipment	(3,773)	—	(3,773)	(3,773)	—	(3,773)
Gain on remeasurement of previously held interest in joint operation	—	—	—	(12,596)	—	(12,596)
	256,430	225,466	30,964	943,066	840,327	102,739
Income before provision for income taxes	17,814	10,887	6,927	61,871	52,831	9,040
Provision for (recovery of) income taxes						
Current	300	1,606	(1,306)	6,459	15,454	(8,995)
Deferred	4,547	1,421	3,126	10,885	(1,026)	11,911
	4,847	3,027	1,820	17,344	14,428	2,916
Net income and comprehensive income	12,967	7,860	5,107	44,527	38,403	6,124
Total assets	2,536,958	1,859,807	677,151	2,536,958	1,859,807	677,151
Total debt	1,425,321	1,012,345	412,976	1,425,321	1,012,345	412,976

Revenue

The following table reconciles revenue from our financial statements to revenue on a proportionate basis:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
Revenue, GAAP basis						
Long-term care	213,019	188,082	24,937	786,753	707,299	79,454
Retirement	61,225	48,271	12,954	218,184	185,859	32,325
	274,244	236,353	37,891	1,004,937	893,158	111,779
Share of revenue from Equity-Accounted Joint Ventures						
Long-term care	—	—	—	—	—	—
Retirement	10,676	9,912	764	40,659	36,753	3,906
	10,676	9,912	764	40,659	36,753	3,906
Revenue, Proportionate Basis						
Long-term care	213,019	188,082	24,937	786,753	707,299	79,454
Retirement	71,901	58,183	13,718	258,843	222,612	36,231
	284,920	246,265	38,655	1,045,596	929,911	115,685
One-Time Items						
Long-term care ⁽¹⁾	(6,062)	(2,464)	(3,598)	(9,592)	(29,079)	19,487
Retirement ⁽²⁾	(410)	—	(410)	(410)	(446)	36
	(6,472)	(2,464)	(4,008)	(10,002)	(29,525)	19,523
Revenue, Proportionate Basis, excluding One-Time Items						
Long-term care	206,957	185,618	21,339	777,161	678,220	98,941
Retirement	71,491	58,183	13,308	258,433	222,166	36,267
	278,448	243,801	34,647	1,035,594	900,386	135,208

1. In the LTC segment, for the three months and year ended December 31, 2025, includes a WSIB refund of \$3,199 and \$5,358, respectively (2024 - \$nil and \$2,960, respectively), and a one-time & retroactive funding related to prior years of \$2,863 and \$4,234, respectively (2024 - \$2,464 and \$26,119, respectively).

2. In the retirement segment, for the three months and year ended December 31, 2025, includes a WSIB refund of \$410 and \$410, respectively (2024 - \$nil and \$446, respectively).

Fourth Quarter 2025

Revenue for Q4 2025 increased by \$37,891 to \$274,244 compared to Q4 2024. Revenue, Proportionate Basis, excluding One-Time Items for Q4 2025 increased by \$34,647 to \$278,448, compared to Q4 2024, primarily due to higher funding and private revenue increases in the LTC segment, and occupancy growth, rental rate adjustments reflecting market conditions, and higher care revenue in the retirement segment. In addition, both the LTC and retirement segments benefitted from acquisitions and developments completed in 2025.

Year ended December 31, 2025

Revenue for the year ended December 31, 2025, increased by \$111,779 to \$1,004,937, compared to the year ended December 31, 2024. Revenue, Proportionate Basis, excluding One-Time Items for the year ended December 31, 2025, increased by \$135,208 to \$1,035,594, compared to the year ended December 31, 2024, primarily due to higher funding and private revenue increases in the LTC segment, and occupancy growth, rental rate adjustments aligned with prevailing market conditions, and higher care revenue in the retirement segment. In addition, both the LTC and retirement segments benefitted from acquisitions and developments completed in 2025.

Operating Expenses

The following table reconciles operating expenses from our financial statements to operating expenses on a proportionate basis:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
Operating expenses, GAAP basis						
Long-term care	178,697	162,326	16,371	671,773	586,985	84,788
Retirement	37,671	30,436	7,235	133,548	117,029	16,519
	216,368	192,762	23,606	805,321	704,014	101,307
Share of operating expenses from Equity-Accounted Joint Ventures						
Long-term care	—	—	—	—	—	—
Retirement	6,813	6,845	(32)	26,577	26,291	286
	6,813	6,845	(32)	26,577	26,291	286
Operating Expenses, Proportionate Basis						
Long-term care	178,697	162,326	16,371	671,773	586,985	84,788
Retirement	44,484	37,281	7,203	160,125	143,320	16,805
	223,181	199,607	23,574	831,898	730,305	101,593
One-Time Items						
Long-term care	—	—	—	—	—	—
Retirement ⁽¹⁾	—	—	—	(342)	—	(342)
	—	—	—	(342)	—	(342)
Operating Expenses, Proportionate Basis, excluding One-Time Items						
Long-term care	178,697	162,326	16,371	671,773	586,985	84,788
Retirement	44,484	37,281	7,203	159,783	143,320	16,463
	223,181	199,607	23,574	831,556	730,305	101,251

1. For the year ended December 31, 2025, includes a net WSIB expense of \$342 in the retirement segment related to prior years.

Fourth Quarter 2025

Operating expenses for Q4 2025 increased by \$23,606 to \$216,368, compared to Q4 2024. Operating Expenses, Proportionate Basis, excluding One-Time Items for Q4 2025 increased by \$23,574 to \$223,181, compared to Q4 2024, mainly due to increased direct care labour, higher utilities, repair and maintenance expenses, other inflationary pressures, and expenses related to the acquisitions and developments completed in 2025.

Year ended December 31, 2025

Operating expenses for the year ended December 31, 2025, increased by \$101,307 to \$805,321, compared to the year ended December 31, 2024. Operating Expenses, Proportionate Basis, excluding One-Time Items for the year ended December 31, 2025, increased by \$101,251 to \$831,556, compared to the year ended December 31, 2024, mainly due to increased direct care labour, utilities, repair and maintenance, other inflationary pressures, and expenses related to acquisitions and developments completed in 2025.

Net Operating Income

The following table presents NOI and NOI, excluding One-Time Items, which are non-GAAP measures, as defined in "Non-GAAP Measures" section.

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
NOI						
Long-term care	34,322	25,756	8,566	114,980	120,314	(5,334)
Retirement	27,417	20,902	6,515	98,718	79,292	19,426
	61,739	46,658	15,081	213,698	199,606	14,092
One-Time Items						
Long-term care ⁽¹⁾	(6,062)	(2,464)	(3,598)	(9,592)	(29,079)	19,487
Retirement ⁽²⁾	(410)	—	(410)	(68)	(446)	378
	(6,472)	(2,464)	(4,008)	(9,660)	(29,525)	19,865
NOI, excluding One-Time Items						
Long-term care	28,260	23,292	4,968	105,388	91,235	14,153
Retirement	27,007	20,902	6,105	98,650	78,846	19,804
	55,267	44,194	11,073	204,038	170,081	33,957

1. In the LTC segment, for the three months and year ended December 31, 2025, includes a WSIB refund of \$3,199 and \$5,358, respectively (2024 - \$nil and \$2,960, respectively), and a one-time & retroactive funding related to prior years of \$2,863 and \$4,234, respectively (2024 - \$2,464 and \$26,119, respectively).

2. In the retirement segment, for the three months and year ended December 31, 2025, includes a WSIB refund of \$410 and \$68, respectively (2024 - \$nil and \$446, respectively).

Net Operating Income by Portfolio

The following table presents Revenue, Operating Expenses and NOI, on a proportionate basis, by Same Property, Growth Portfolio, and Optimization Portfolio, adjusted for One-Time Items for the periods ended December 31:

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
Same Property						
Revenue, Proportionate Basis	250,218	240,580	9,638	959,819	909,012	50,807
Operating Expenses, Proportionate Basis	(196,371)	(195,091)	(1,280)	(768,826)	(713,248)	(55,578)
Same Property NOI	53,847	45,489	8,358	190,993	195,764	(4,771)
One-Time Items ^{(1) (2)}	(6,472)	(2,464)	(4,008)	(9,660)	(29,525)	19,865
Same Property NOI, excluding One-Time Items	47,375	43,025	4,350	181,333	166,239	15,094
Growth Portfolio						
Revenue, Proportionate Basis	29,298	814	28,484	64,697	2,105	62,592
Operating Expenses, Proportionate Basis	(22,721)	(723)	(21,998)	(47,531)	(2,467)	(45,064)
Growth Portfolio NOI	6,577	91	6,486	17,166	(362)	17,528
Optimization Portfolio						
Revenue, Proportionate Basis	5,404	4,871	533	21,080	18,794	2,286
Operating Expenses, Proportionate Basis	(4,089)	(3,793)	(296)	(15,541)	(14,590)	(951)
Optimization Portfolio NOI	1,315	1,078	237	5,539	4,204	1,335
Total						
Revenue, Proportionate Basis	284,920	246,265	38,655	1,045,596	929,911	115,685
Operating Expenses, Proportionate Basis	(223,181)	(199,607)	(23,574)	(831,898)	(730,305)	(101,593)
Total NOI	61,739	46,658	15,081	213,698	199,606	14,092
One-Time Items ^{(1) (2)}	(6,472)	(2,464)	(4,008)	(9,660)	(29,525)	19,865
Total NOI, excluding One-Time Items	55,267	44,194	11,073	204,038	170,081	33,957

1. In the LTC segment, for the three months and year ended December 31, 2025, includes a WSIB refund of \$3,199 and \$5,358, respectively (2024 - \$nil and \$2,960, respectively), and a one-time & retroactive funding related to prior years of \$2,863 and \$4,234, respectively (2024 - \$2,464 and \$26,119, respectively).
2. In the retirement segment, for the three months and year ended December 31, 2025, includes a WSIB net refund of \$410 and \$68, respectively (2024 - \$nil and \$446, respectively).

Fourth Quarter 2025

The Company's Same Property NOI, excluding One-Time items for Q4 2025 increased by \$4,350, or 10.1%, to \$47,375, compared to Q4 2024, as a result of Sienna's strong operational performance in both lines of business. The Company's Growth Portfolio NOI for Q4 2025 increased by \$6,486 to \$6,577, mainly due to acquisitions and development projects completed in 2025. The Company's Optimization Portfolio NOI for Q4 2025 increased by \$237, or 22.0%, to \$1,315, reflecting our solid progress in executing asset optimization initiatives. Refer to the detailed discussion below for segment operating results.

Year ended December 31, 2025

The Company's Same Property NOI, excluding One-Time items for the year ended December 31, 2025, increased by \$15,094, or 9.1%, to \$181,333, compared to the year ended December 31, 2024, attributable to strong operational performance across both lines of business. The Company's Growth Portfolio NOI for the year ended December 31, 2025, increased by \$17,528 to \$17,166, compared to the year ended December 31, 2024, primarily due to acquisitions and completed developments. Optimization Portfolio NOI for the year ended December 31, 2025, increased by \$1,335, or 31.8%, to \$5,539, compared to the year ended December 31, 2024. Refer to the detailed discussion below for segment operating results.

Net Operating Income by Segment

Our business comprises two core segments: retirement and long-term care. Our retirement portfolio operates in well located markets and generated approximately 49% of the Company's NOI, excluding One-Time Items for Q4 2025. Our LTC portfolio contributed approximately 51% to the Company's NOI, excluding One-Time Items for Q4 2025.

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,		
	2025	2024	Change	2025	2024	Change
Same Property						
Revenue, Proportionate Basis	56,445	52,498	3,947	215,764	201,713	14,051
Operating Expenses, Proportionate Basis	(33,264)	(32,765)	(499)	(129,933)	(126,263)	(3,670)
Same Property NOI	23,181	19,733	3,448	85,831	75,450	10,381
One-Time Items ⁽¹⁾	(410)	—	(410)	(68)	(446)	378
Same Property NOI, excluding One-Time Items ⁽¹⁾	22,771	19,733	3,038	85,763	75,004	10,759
Growth Portfolio						
Revenue, Proportionate Basis	10,052	814	9,238	21,999	2,105	19,894
Operating Expenses, Proportionate Basis	(7,131)	(723)	(6,408)	(14,651)	(2,467)	(12,184)
Growth Portfolio NOI	2,921	91	2,830	7,348	(362)	7,710
Optimization Portfolio						
Revenue, Proportionate Basis	5,404	4,871	533	21,080	18,794	2,286
Operating Expenses, Proportionate Basis	(4,089)	(3,793)	(296)	(15,541)	(14,590)	(951)
Optimization Portfolio NOI	1,315	1,078	237	5,539	4,204	1,335
Total						
Revenue, Proportionate Basis	71,901	58,183	13,718	258,843	222,612	36,231
Operating Expenses, Proportionate Basis	(44,484)	(37,281)	(7,203)	(160,125)	(143,320)	(16,805)
Total retirement NOI	27,417	20,902	6,515	98,718	79,292	19,426
One-Time Items ⁽¹⁾	(410)	—	(410)	(68)	(446)	378
Total retirement NOI, excluding One-Time Items	27,007	20,902	6,105	98,650	78,846	19,804

1. For the three months and year ended December 31, 2025, includes a net WSIB refund of \$410 and \$68, respectively (2024 - WSIB refund of \$nil and \$446, respectively).

Fourth Quarter 2025

Retirement's Same Property Revenue, Proportionate Basis for Q4 2025 increased by \$3,947 to \$56,445, compared to Q4 2024, primarily attributable to occupancy growth, rental rate adjustments aligned with market conditions, and higher care and ancillary revenue. Same Property Operating Expenses, Proportionate Basis for Q4 2025 increased by \$499 to \$33,264, compared to Q4 2024. Same Property NOI for Q4 2025 increased by \$3,038 to \$22,771, compared to Q4 2024, as a result of the changes in Same Property revenue and operating expenses discussed above.

Retirement's Growth Portfolio Revenue, Proportionate Basis for Q4 2025 increased by \$9,238 to \$10,052, compared to Q4 2024, while Operating Expenses, Proportionate Basis increased by \$6,408 to \$7,131, compared to Q4 2024. These increases were primarily driven by Elgin Falls, a retirement residence currently in lease up, and the acquisitions and developments completed in 2025.

Retirement's Optimization Portfolio Revenue, Proportionate Basis for Q4 2025 increased by \$533 to \$5,404, compared to Q4 2024, driven primarily by higher occupancy of the optimization assets. Optimization Portfolio Operating Expenses, Proportionate Basis for Q4 2025, increased by \$296 to \$4,089, compared to Q4 2024, driven primarily by higher labour costs.

Year ended December 31, 2025

Retirement's Same Property Revenue, Proportionate Basis for the year ended December 31, 2025, increased by \$14,051 to \$215,764, compared to the year ended December 31, 2024, primarily attributable to occupancy increases, rental rate adjustments in line with market conditions and higher care and ancillary revenue. Same Property Operating Expenses, Proportionate Basis for the year ended December 31, 2025, increased by \$3,670 to \$129,933, compared to the year ended December 31, 2024, primarily attributable to higher labour, food and utility expenses. Excluding the impact of One-Time Items, retirement's Same Property NOI for the year ended December 31, 2025, increased by \$10,759 to \$85,763, compared to the year ended December 31, 2024, as a result of the changes in Same Property revenue and operating expenses discussed above.

Retirement's Growth Portfolio Revenue, Proportionate Basis for the year ended December 31, 2025, increased by \$19,894 to \$21,999, compared to the year ended December 31, 2024, whereas Operating Expenses, Proportionate Basis increased by \$12,184 to \$14,651, compared to the year ended December 31, 2024. These increases were primarily driven by acquisitions and developments completed in 2025.

Retirement's Optimization Portfolio Revenue, Proportionate Basis for the year ended December 31, 2025 increased by \$2,286 to \$21,080, compared to the year ended December 31, 2024, driven primarily by higher occupancy of the optimization assets. Operating Expenses, Proportionate Basis for the year ended December 31, 2025 increased by \$951 to \$15,541, compared to the year ended December 31, 2024, driven primarily by higher labour costs.

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,		
	2025	2024	Change	2025	2024	Change
Same Property						
Revenue, Proportionate Basis	193,773	188,082	5,691	744,055	707,299	36,756
Operating Expenses, Proportionate Basis	(163,107)	(162,326)	(781)	(638,893)	(586,985)	(51,908)
Same Property NOI	30,666	25,756	4,910	105,162	120,314	(15,152)
One-Time Items ⁽¹⁾	(6,062)	(2,464)	(3,598)	(9,592)	(29,079)	19,487
Same Property NOI, excluding One-Time Items	24,604	23,292	1,312	95,570	91,235	4,335
Growth Portfolio						
Revenue, Proportionate Basis	19,246	—	19,246	42,698	—	42,698
Operating Expenses, Proportionate Basis	(15,590)	—	(15,590)	(32,880)	—	(32,880)
Growth Portfolio NOI	3,656	—	3,656	9,818	—	9,818
Total						
Revenue, Proportionate Basis	213,019	188,082	24,937	786,753	707,299	79,454
Operating Expenses, Proportionate Basis	(178,697)	(162,326)	(16,371)	(671,773)	(586,985)	(84,788)
Total long-term care NOI	34,322	25,756	8,566	114,980	120,314	(5,334)
One-Time Items ⁽¹⁾⁽²⁾	(6,062)	(2,464)	(3,598)	(9,592)	(29,079)	19,487
Total long-term care NOI, excluding One-Time Items	28,260	23,292	4,968	105,388	91,235	14,153

1. For the three months and year ended December 31, 2025, includes a WSIB refund of \$3,199 and \$5,358, respectively (2024 - \$nil and \$2,960, respectively).

2. For the three months and year ended December 31, 2025, includes a one-time & retroactive funding related to the prior years of \$2,863 and \$4,234, respectively (2024 - \$2,464 and \$26,119, respectively).

Fourth Quarter 2025

LTC's Same Property Revenue, Proportionate Basis for Q4 2025 increased by \$5,691 to \$193,773, compared to Q4 2024, primarily due to higher flow-through funding for direct care, increased private revenue and \$2,221 of revenues from the additional 30% interest in Nicola Lodge.

LTC's Same Property Operating Expenses, Proportionate Basis for Q4 2025 increased by \$781 to \$163,107, compared to Q4 2024, primarily due to higher labour, higher utilities, repairs and maintenance, as well as \$1,729 from the additional 30% interest in Nicola Lodge.

Excluding the impact of One-Time Items, LTC's Same Property NOI for Q4 2025 increased by \$1,312 to \$24,604, compared to Q4 2024, as a result of higher flow-through funding for direct care and increased private revenue, offset by higher labour, higher utilities and other operating expenses.

For the three months ended December 31, 2025, the acquisitions and developments completed in 2025 contributed \$19,246 and \$15,590 to LTC's Growth Portfolio revenues and operating expenses, respectively.

Administrative Expenses

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
General and administrative expenses	7,380	7,192	188	31,037	29,135	1,902
SOAR program	281	—	281	1,325	471	854
Restructuring (recovery) expense	(180)	200	(380)	(180)	200	(380)
Share-based compensation	2,437	1,379	1,058	7,106	5,248	1,858
Total administrative expenses	9,918	8,771	1,147	39,288	35,054	4,234

Fourth Quarter 2025

Administrative expenses for Q4 2025 increased by \$1,147 to \$9,918, compared to Q4 2024, primarily due to increased share-based compensation expenses driven by improved stock price performance.

Year ended December 31, 2025

LTC's Same Property Revenue, Proportionate Basis for the year ended December 31, 2025, increased by \$36,756 to \$744,055, compared to the year ended December 31, 2024, primarily due to higher flow-through funding for direct care, increased private revenue and \$7,546 of revenues from the additional 30% interest in Nicola Lodge.

LTC's Same Property Operating Expenses, Proportionate Basis for the year ended December 31, 2025, increased by \$51,908 to \$638,893, compared to the year ended December 31, 2024, primarily due to higher labour, higher utilities, repairs and maintenance, as well as \$5,776 from the additional 30% interest in Nicola Lodge.

Excluding the impact of One-Time Items, LTC's Same Property NOI for the year ended December 31, 2025, increased by \$4,335 to \$95,570, compared to the year ended December 31, 2024, as a result of the changes in Same Property revenue and operating expenses discussed above.

For the year ended December 31, 2025, the acquisitions and developments completed in 2025 contributed \$42,698 and \$32,880 to LTC's Growth Portfolio revenues and operating expenses, respectively.

Year ended December 31, 2025

Administrative expenses for the year ended December 31, 2025 increased by \$4,234 to \$39,288, compared to year ended December 31, 2024, primarily due to increases in wages and benefits for inflationary adjustments and support for growth initiatives, higher SOAR program costs, and share-based compensation expenses driven by improved stock price performance.

Depreciation and Amortization

Fourth Quarter 2025

Depreciation and amortization for Q4 2025 increased by \$3,862 to \$16,964, compared to Q4 2024, primarily due to higher amortization on building, furniture and fixtures, computer hardware and resident relationships as a result of acquisitions in 2025, offset partly by lower amortization on computer software.

Share of Net (Income)/Loss in Joint Ventures

Fourth Quarter 2025

The Company's share of net (income)/loss in joint ventures relates to Sienna-Sabra LP and Sienna-RSH Niagara Falls LP. During the quarter, net income of \$(1,843) (2024 - net loss of \$2,096) was recognized, primarily due to lower amortization expense following full amortization of certain intangible assets. This balance is comprised of NOI of \$3,863, less depreciation and amortization of \$1,541, net finance costs of \$482 and transaction costs reversal of \$(3). The increase in the Company's share of net income reflects a significant decrease in amortization expense following the full amortization of certain intangible assets earlier in 2025.

Year ended December 31, 2025

Depreciation and amortization for the year ended December 31, 2025 increased by \$8,160 to \$59,264, compared to year ended December 31, 2024, primarily due to higher amortization on building, furniture and fixtures, computer hardware and resident relationships as a result of acquisitions in 2025, offset partly by lower amortization on computer software.

Year ended December 31, 2025

The Company's share of net (income)/loss in joint ventures relates to Sienna-Sabra LP and Sienna-RSH Niagara Falls LP. During the year, net income of \$(1,959) (2024 - net loss of \$9,585) was recognized, primarily due to decreased amortization expenses following the full amortization of certain intangible assets earlier in 2025. This balance comprised NOI of \$14,082, less depreciation and amortization of \$10,085, net finance costs of \$2,089 and transaction costs reversal of \$(51).

Net Finance Charges

Thousands of Canadian dollars	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
Finance costs						
Interest expense on mortgages	7,079	6,174	905	26,684	24,253	2,431
Interest expense on debentures	6,079	4,189	1,890	19,003	14,859	4,144
Interest expense on construction loan	317	656	(339)	1,504	1,290	214
Interest expense on credit facilities	245	218	27	1,129	2,138	(1,009)
Interest expense on right-of-use assets	30	35	(5)	123	146	(23)
Amortization of financing charges and fair value adjustments on acquired debt	600	1,030	(430)	2,642	4,083	(1,441)
Net settlement receipt on interest rate swap contracts	(29)	(454)	425	(390)	(2,428)	2,038
Fair value (gain) loss on interest rate swap contracts	(149)	296	(445)	717	2,388	(1,671)
	14,172	12,144	2,028	51,412	46,729	4,683
Less: interest capitalized on qualifying development projects	(294)	(1,663)	1,369	(5,838)	(4,327)	(1,511)
Net Finance Costs	13,878	10,481	3,397	45,574	42,402	3,172
Finance income						
Interest income on construction funding receivable	952	59	893	1,389	269	1,120
Other interest income	694	2,618	(1,924)	3,248	4,237	(989)
	1,646	2,677	(1,031)	4,637	4,506	131
Net finance charges	12,232	7,804	4,428	40,937	37,896	3,041

Fourth Quarter 2025

Net finance charges for Q4 2025 increased by \$4,428 to \$12,232, compared to Q4 2024, primarily due to higher interest on debentures driven by increased volume and rates, higher interest expenses on mortgages resulting from acquisitions, and lower interest capitalized as two qualifying development projects were completed in Q3 2025 and interest was no longer capitalized, and lower interest income.

Year ended December 31, 2025

Net finance charges for the year ended December 31, 2025, increased by \$3,041 to \$40,937, compared to year ended December 31, 2024, primarily due to higher interest on debentures driven by increased volumes and rates, and higher interest on mortgages resulting from acquisitions, partially offset by interest income on construction funding subsidies on the recently completed development projects, higher interest capitalized on qualifying development projects and lower interest expense on credit facilities from lower utilization.

Transaction Costs

Fourth Quarter 2025

Transaction costs for Q4 2025 increased by \$5,633 to \$6,564 compared to Q4 2024, primarily attributable to acquisitions, including \$3,757 in land transfer taxes, as well as the timing of activities related to development projects.

Year ended December 31, 2025

Transaction costs for the year ended December 31, 2025, increased by \$13,910 to \$16,584 compared to year ended December 31, 2024, primarily driven by \$11,980 in costs related to acquisitions, including \$7,725 in land transfer taxes. The remaining increases reflect the timing of activities related to development projects.

Gain on Disposal of Property and Equipment

Year ended December 31, 2025

In Q4 2025, the Company disposed of the land and buildings of two redeveloped Class C LTC properties located in North Bay and Brantford, Ontario, for proceeds of \$8,145. The net book value of the assets disposed of was \$4,372, resulting in a pre-tax gain on disposal of \$3,773.

Gain on Remeasurement of Previously Held Interest in Joint Operation

Year ended December 31, 2025

In Q1 2025, the Company acquired the remaining 30% interest in Nicola Lodge. As a result, its previously held 70% interest was remeasured to the fair value, resulting in a gain of \$12,596.

Income Taxes

Fourth Quarter 2025

Income tax expenses increased by \$1,820 in Q4 2025, resulting in an income tax expense of \$4,847 (current tax expense of \$300 and deferred tax expense of \$4,547), compared to income tax expenses of \$3,027 in Q4 2024 (current tax expense of \$1,606 and deferred tax expense of \$1,421). The increase in income tax expenses is primarily due to higher NOI, partially offset by higher tax depreciation in the quarter due to acquisitions.

Year ended December 31, 2025

Income tax expenses for the year ended December 31, 2025 increased by \$2,916, resulting in an income tax expense of \$17,344 (current tax expense of \$6,459 and deferred income tax expense of \$10,885), compared to the year ended December 31, 2024 income tax expenses of \$14,428 (current income tax expense of \$15,454 and deferred tax recovery of \$(1,026)). The increase in income tax expenses is primarily due to higher NOI and higher deferred taxes arising from the gain on remeasurement of a previously held interest in a joint operation, partially offset by higher tax depreciation due to acquisitions.

Adjusted Funds from Operations

The following table represents the reconciliation of NOI to net income, FFO¹, 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,		
	2025	2024	Change	2025	2024	Change
Revenue, Proportionate Basis	284,920	246,265	38,655	1,045,596	929,911	115,685
Operating Expenses, Proportionate Basis	(223,181)	(199,607)	(23,574)	(831,898)	(730,305)	(101,593)
NOI	61,739	46,658	15,081	213,698	199,606	14,092
Depreciation and amortization	(16,964)	(13,102)	(3,862)	(59,264)	(51,104)	(8,160)
Administrative expenses	(9,918)	(8,771)	(1,147)	(39,288)	(35,054)	(4,234)
Share of net gain (loss) in Equity Accounted Joint Ventures	1,843	(2,096)	3,939	1,959	(9,585)	11,544
Share of NOI in Equity Accounted Joint Ventures	(3,863)	(3,067)	(796)	(14,082)	(10,462)	(3,620)
Net finance charges	(12,232)	(7,804)	(4,428)	(40,937)	(37,896)	(3,041)
Transaction costs	(6,564)	(931)	(5,633)	(16,584)	(2,674)	(13,910)
Gain on disposal of property and equipment	3,773	—	3,773	3,773	—	3,773
Gain on remeasurement of previously held interest in joint operation	—	—	—	12,596	—	12,596
Income taxes expenses	(4,847)	(3,027)	(1,820)	(17,344)	(14,428)	(2,916)
Net income	12,967	7,860	5,107	44,527	38,403	6,124
Deferred income taxes, including adjustments	4,142	1,421	2,721	8,347	(1,026)	9,373
Depreciation and amortization, excluding corporate	15,887	11,613	4,274	55,434	45,739	9,695
Transaction costs	6,564	931	5,633	16,584	2,674	13,910
Fair value loss on interest rate swap contracts	(149)	296	(445)	717	2,388	(1,671)
Gain on disposal of property and equipment	(3,773)	—	(3,773)	(3,773)	—	(3,773)
Shares granted under SOAR program	281	—	281	1,325	471	854
Gain on remeasurement of previously held interest in joint operation	—	—	—	(12,596)	—	(12,596)
Equity-Accounted Joint Ventures:						
Depreciation and amortization	1,541	4,374	(2,833)	10,085	17,428	(7,343)
Shares granted under SOAR program	15	—	15	59	24	35
Transaction costs	(3)	170	(173)	(51)	172	(223)
FFO ⁽¹⁾	37,472	26,665	10,807	120,658	106,273	14,385
Depreciation and amortization - corporate	1,077	1,489	(412)	3,830	5,365	(1,535)
Amortization of financing charges and fair value adjustments on assumed debt ⁽²⁾	627	1,078	(451)	2,806	4,281	(1,475)
Restructuring (recovery) expense	(180)	200	(380)	(180)	200	(380)
OFFO	38,996	29,432	9,564	127,114	116,119	10,995
Construction funding	811	429	382	2,039	2,570	(531)
Maintenance capital expenditures ⁽³⁾	(7,172)	(4,777)	(2,395)	(19,541)	(15,468)	(4,073)
AFFO	32,635	25,084	7,551	109,612	103,221	6,391
Basic and Diluted FFO per share	0.393	0.323	0.070	1.317	1.393	(0.076)
Basic and Diluted OFFO per share	0.409	0.356	0.053	1.387	1.522	(0.135)
Basic and Diluted AFFO per share	0.343	0.304	0.039	1.196	1.353	(0.157)
Weighted average common shares outstanding	95,260,501	82,605,054		91,647,193	76,291,724	

1. This is a non-GAAP measure. Refer to the *Non-GAAP Measures* section in this MD&A for definition and additional information.

2. For the year ended December 31, 2025, includes the Company's share of amortization of financing charges and fair value adjustments on assumed debt in Equity-Accounted Joint Ventures of \$25 and \$163 (2024 - \$49 and \$198).

3. For the three month and year ended December 31, 2025 includes the Company's share of maintenance capital expenditure in Equity-Accounted Joint Ventures of \$474 and \$1,225, respectively (2024 - \$358 and \$899, respectively).

Thousands of Canadian dollars, except share and per share data	Three months ended December 31,			Year ended December 31,		
	2025	2024	Change	2025	2024	Change
OFFO	38,996	29,432	9,564	127,114	116,119	10,995
One-Time Items ^{(1) (2)}	(4,751)	(1,809)	(2,942)	(7,091)	(21,674)	14,583
OFFO excluding One-Time Items	34,245	27,623	6,622	120,023	94,445	25,578
AFFO	32,635	25,084	7,551	109,612	103,221	6,391
One-Time Items ^{(1) (2)}	(4,751)	(1,809)	(2,942)	(7,091)	(21,674)	14,583
AFFO, excluding One-Time Items	27,884	23,275	4,609	102,521	81,547	20,974
Basic and Diluted OFFO per share, excluding One-Time Items	0.359	0.334	0.025	1.310	1.238	0.072
Basic and Diluted AFFO per share, excluding One-Time Items	0.293	0.282	0.011	1.119	1.069	0.050

- For the three months ended December 31, 2025 includes one-time & retroactive funding of \$2,102 (\$2,863 net of \$761 taxes), and a WSIB refund of \$2,649 (\$3,609 net of \$960 taxes) related to the prior years. For the three months ended December 31, 2024 includes \$1,809 of retroactive funding (\$2,464 net of \$655 taxes).
- For the year ended December 31, 2025 includes one-time & retroactive funding of \$3,108 (\$4,234 net of \$1,126 taxes), and a WSIB refund of \$3,983 (\$5,426 net of \$1,443 taxes) related to the prior years. For the year ended December 31, 2024, includes one-time & retroactive funding of \$19,174 (\$26,119 net of \$6,945 taxes) related to the prior years, and a WSIB refund of \$2,500 (\$3,406 net of \$906 taxes).

Financial Position

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities and equity as at December 31, 2025 compared to December 31, 2024:

Thousands of Canadian dollars	December 31, 2025	December 31, 2024	Change
Total assets	2,536,958	1,859,807	677,151
Total liabilities	1,817,432	1,379,086	438,346
Total equity	719,526	480,721	238,805

Total assets increased by \$677,151 to \$2,536,958, primarily due to an increase in property and equipment resulting from acquisitions and development projects, as well as the issuance of Series E and Series F Unsecured Debentures.

Total liabilities increased by \$438,346 to \$1,817,432, primarily driven by higher mortgage balances resulting

from the Company's acquisitions and the issuance of Series F Unsecured Debentures.

Total equity increased by \$238,805 to \$719,526, primarily due to shares issued in Q1 2025, shares issued through the ATM Program and the Company's year-to-date net income, partially offset by dividends declared during the period.

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,		
	2025	2024	Change	2025	2024	Change
Cash provided by (used in):						
Operating activities	38,281	21,914	16,367	81,901	149,929	(68,028)
Investing activities	(169,558)	(38,731)	(130,827)	(471,245)	(116,480)	(354,765)
Financing activities	146,159	(64,671)	210,830	381,801	69,349	312,452
Increase (decrease) in cash and cash equivalents during the period	14,882	(81,488)	96,370	(7,543)	102,798	(110,341)
Cash and cash equivalents, end of period	119,659	127,202	(7,543)	119,659	127,202	(7,543)

Fourth Quarter 2025

Cash inflows provided by operating activities for the three months ended December 31, 2025, increased by \$16,367 to \$38,281, primarily due to higher EBITDA, timing impact of the deposit paid for the Cawthra Gardens acquisition and the timing of working capital changes.

Cash used in investing activities for the three months ended December 31, 2025, increased by \$130,827 to \$169,558, primarily due to acquisitions.

Cash provided by financing activities for the three months ended December 31, 2025, increased by \$210,830 to \$146,159, primarily due to the issuance of Series F Unsecured Debentures and equity raised under the ATM Program.

Year ended December 31, 2025

Cash inflows provided by operating activities for the year ended December 31, 2025, decreased by \$68,028 compared to \$81,901, primarily due to higher income tax paid, the timing of working capital changes, and one-time funding received in Q1 2024.

Cash used in investing activities for the year ended December 31, 2025, increased by \$354,765 to \$471,245, primarily due to acquisitions.

Cash provided by financing activities for the year ended December 31, 2025 increased by \$312,452 to \$381,801 primarily due to shares issued through the ATM Program, and the issuance of Unsecured Debentures.

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,		
	2025	2024	Change	2025	2024	Change
Cash provided by operating activities	38,281	21,914	16,367	81,901	149,929	(68,028)
Construction funding principal	811	429	382	2,039	2,570	(531)
Transaction costs	6,564	931	5,633	16,584	2,674	13,910
Maintenance capital expenditures	(7,172)	(4,777)	(2,395)	(19,541)	(15,468)	(4,073)
Net change in working capital, interest and taxes	(6,568)	5,537	(12,105)	24,034	(39,081)	63,115
Share-based compensation expenses	(2,437)	(1,379)	(1,058)	(7,106)	(5,248)	(1,858)
Restructuring costs, including tax	(180)	200	(380)	(180)	200	(380)
AFFO of Equity-Accounted Joint Ventures	3,336	2,229	1,107	11,881	7,645	4,236
AFFO	32,635	25,084	7,551	109,612	103,221	6,391

Quarterly Financial Information

Thousands of Canadian dollars, except occupancy, per share and ratio data	2025				2024			
	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1 ⁽¹⁾	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1 ⁽¹⁾
Revenue, Proportionate Basis	284,920	263,066	253,605	244,005	246,265	224,775	219,487	239,384
Operating Expenses, Proportionate Basis	223,181	207,615	202,979	198,123	199,607	181,326	173,477	175,895
Net income	12,967	10,369	5,397	15,794	7,860	4,728	6,086	19,729
Per share basic and diluted	0.136	0.112	0.059	0.183	0.095	0.060	0.083	0.270
OFFO	38,996	32,824	29,311	26,028	29,432	23,877	26,081	36,729
Per share basic and diluted	0.409	0.353	0.318	0.302	0.356	0.312	0.357	0.503
AFFO	32,635	28,711	24,109	24,202	25,084	20,351	22,433	35,359
Per share basic and diluted	0.343	0.309	0.262	0.281	0.304	0.266	0.307	0.485
Dividends declared	22,493	21,805	21,586	20,802	19,332	18,578	17,080	17,074
Per share	0.234	0.234	0.234	0.234	0.234	0.234	0.234	0.234
Occupancy								
Retirement - Average Same Property	94.7 %	94.1 %	92.1 %	92.5 %	92.9 %	91.8 %	90.6 %	89.9 %
Retirement - Average Optimization Portfolio ⁽²⁾	84.3 %	83.4 %	81.1 %	79.9 %	76.4 %	73.7 %	73.7 %	74.9 %
Retirement - Average Growth Portfolio ⁽²⁾	74.2 %	83.1 %	81.8 %	55.6 %	49.8 %	38.9 %	29.4 %	13.1 %
Retirement - Average total occupancy	90.2 %	91.6 %	90.2 %	90.1 %	89.8 %	88.2 %	87.0 %	86.6 %
LTC - Average private occupancy	98.4 %	96.6 %	97.7 %	96.4 %	97.7 %	96.5 %	98.4 %	95.9 %
LTC - Average total occupancy ⁽³⁾	98.3 %	98.3 %	98.5 %	98.0 %	98.4 %	98.4 %	98.5 %	97.5 %
Net Debt to Adjusted Gross Book Value as at period end	40.7 %	41.0 %	41.4 %	33.4 %	36.3 %	34.5 %	42.7 %	43.2 %
Net Debt to Adjusted EBITDA as at period end ⁽⁴⁾	7.6	7.9	8.0	6.1	5.7	5.7	6.7	6.9
Interest Coverage Ratio ⁽⁴⁾	3.6	3.4	3.4	3.5	3.9	4.0	4.0	3.9
Total assets	2,536,958	2,349,290	2,159,205	1,952,153	1,859,807	1,909,523	1,712,579	1,700,083
Total debt	1,425,321	1,333,345	1,183,286	979,329	1,012,345	1,058,030	1,006,617	1,008,067
Weighted average shares outstanding	95,260,501	92,894,810	92,191,579	86,127,813	82,605,054	76,543,993	72,978,178	72,967,166

1. Effective January 1, 2024, the Company began classifying all active funding that began during the pandemic as revenue, instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.
2. This is a KPI. Refer to the *Non-GAAP Measures* section in this MD&A for definitions and additional information.
3. Excludes the 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.
4. Rolling 12 months ended.

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, 2025, the Company's results have been impacted by its new acquisitions and related costs, funding increases, occupancy growth, rental rate adjustments to market, and increased costs pertaining to labour, food, utilities and other operating expenses.

A discussion of the operating results for the three months ended December 31, 2025, 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, 2025, 2024 and 2023:

Thousands of Canadian dollars, except per share data	2025	2024	2023
Revenue	1,004,937	893,158	785,368
Income before provision for income taxes	61,871	52,831	10,004
Net income	44,527	38,403	7,038
Per share basic and diluted	0.486	0.503	0.097
OFFO	127,114	116,119	82,071
Per share basic and diluted	1.387	1.522	1.125
AFFO	109,612	103,221	75,137
Per share basic and diluted	1.196	1.353	1.030
Dividends declared	86,686	72,064	68,288
Per share	0.936	0.936	0.936
Total assets	2,536,958	1,859,807	1,695,343
Total debt	1,425,321	1,012,345	1,006,649

Liquidity and Capital Resources

Liquidity

The Company's primary source of liquidity is cash flow generated from operating activities, as well as access to multiple sources of financing. The Company expects to meet its operating cash requirements, including required working capital, capital expenditures, and currently scheduled interest payments on debt through fiscal 2026

and beyond, from cash on hand, cash flow from operations, proceeds from refinancing its debt, its committed but unutilized borrowing capacity and, if necessary, by pursuing debt or equity financings to provide the Company with additional financial flexibility.

As at December 31, 2025, the Company's liquidity was \$501,880, as follows:

Thousands of Canadian dollars	December 31, 2025	December 31, 2024
Cash and cash equivalents	119,659	127,202
Available funds from credit facilities ⁽¹⁾	310,391	308,219
Available funds from construction loans	71,830	24,853
Total	501,880	460,274

(1) Including share of Equity-Accounted Joint Ventures of \$580 (December 31, 2024 - \$408)

As at December 31, 2025, the Company's share of cash and cash equivalents held in our Equity-Accounted Joint Ventures was \$4,752.

The Company had a working capital deficiency (current liabilities less current assets) of \$173,561 as at December 31, 2025, including the current portion of long-term debt of \$19,884. 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 \$1,473,650 as at December 31, 2025, representing an increase of \$419,650 from \$1,054,000 as at December 31, 2024. The increase in the unencumbered asset pool since the beginning of the year reflects the impact of acquisitions, completed redevelopments and updated appraisals.

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 total debt is comprised of the following:

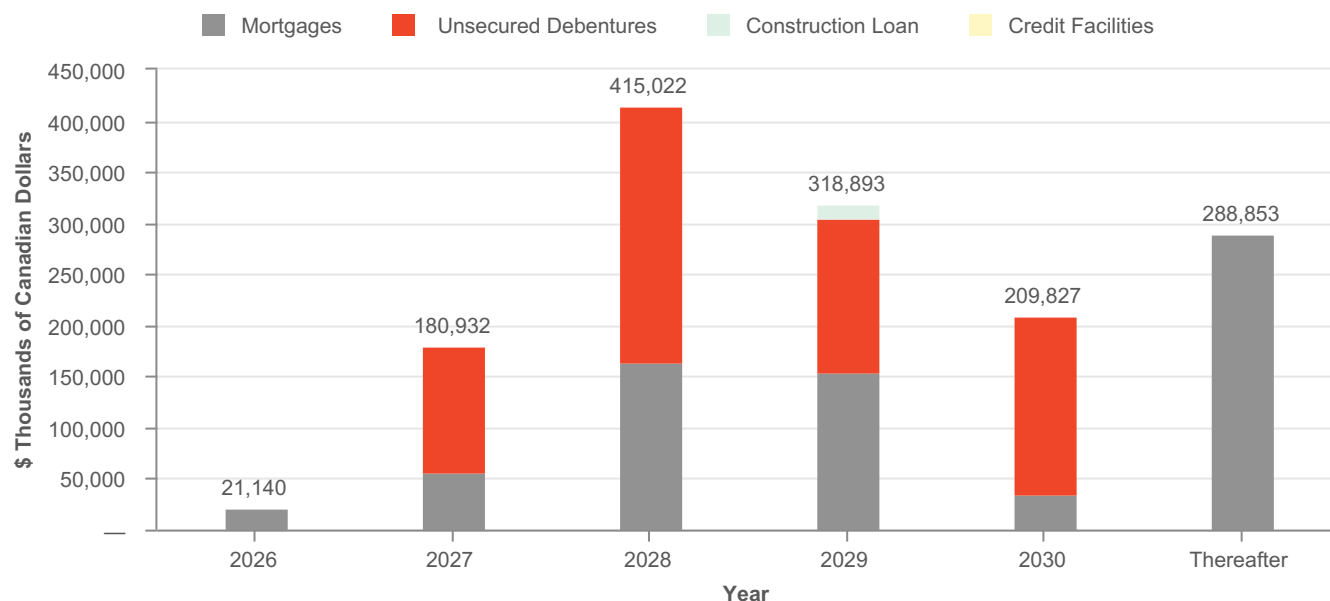
Thousands of Canadian dollars	December 31, 2025	December 31, 2024
Series B Unsecured Debentures	—	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	150,000
Series E Unsecured Debentures	175,000	—
Series F Unsecured Debentures	250,000	—
Construction Loan	14,194	30,208
Mortgages	720,473	548,001
Lease liability	3,615	3,434
	1,438,282	1,031,643
Fair value adjustments on assumed debt	6,673	1,815
Less: Deferred financing costs	(19,634)	(21,113)
Total debt	1,425,321	1,012,345

The following table summarizes the scheduled principal maturities of the Company's long-term debt commitments as at December 31, 2025:

Thousands of Canadian dollars, except interest rate										Mortgages	
Year	Series C Unsecured Debentures ⁽¹⁾	Series D Unsecured Debentures ⁽²⁾	Series E Unsecured Debentures ⁽³⁾	Series F Unsecured Debentures ⁽⁴⁾	Construction Loan	Capitalized Lease Principal Payments ⁽⁵⁾	Regular Principal Repayments	Principal Due at Maturity	Weighted Average Interest Rate on Maturing Mortgages	Total	Consolidated Weighted Average Interest Rate on Maturing Debt
2026	—	—	—	—	—	882	21,140	—	— %	22,022	— %
2027	125,000	—	—	—	—	952	20,817	35,115	3.31 %	181,884	2.94 %
2028	—	—	—	250,000	—	663	15,927	149,095	3.61 %	415,685	3.56 %
2029	—	150,000	—	—	14,194	585	10,762	143,937	4.59 %	319,478	4.52 %
2030	—	—	175,000	—	—	533	9,454	25,373	3.22 %	210,360	3.98 %
Thereafter	—	—	—	—	—	—	45,962	242,891	4.24 %	288,853	4.24 %
	125,000	150,000	175,000	250,000	14,194	3,615	124,062	596,411	4.07 %	1,438,282	3.92 %
Fair value adjustments on assumed debt										6,673	
Less: Deferred financing costs										(19,634)	
Total debt										1,425,321	

1. The interest rate for the Series C Unsecured Debentures is 2.820%.
2. The interest rate for the Series D Unsecured Debentures is 4.436%.
3. The interest rate for the Series E Unsecured Debentures is 4.112%.
4. The interest rate for the Series F Unsecured Debentures is 3.524%.
5. The weighted average interest rate for capitalized lease principal payments is 3.870% for each year.

The following graph presents the maturity profile for the Company's major debt, excluding capitalized lease principal payments, as at December 31, 2025:



The following tables provide 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, 2025	December 31, 2024
Mortgages	23,370	24,327
Construction loan ⁽¹⁾	27,283	27,283
Fair value adjustments on assumed debt	(1,959)	(2,120)
Less: Deferred financing costs	(8)	(10)
Total debt	48,686	49,480

Year	Principal Repayments
2026	28,261
2027	1,000
2028	1,023
2029	1,046
2030	1,069
Thereafter	18,254
Fair value adjustments on assumed debt	(1,959)
Less: Deferred financing costs	(8)
Total debt	48,686

1. The Company's Equity-Accounted Joint Ventures had access to a non-revolving construction loan, with the Company's proportionate share totaling \$27,440, of which \$27,283 was drawn. Borrowings under this construction loan are available at the Canadian Prime rate plus 65 bps per annum or Canadian Overnight Repo Rate Average plus credit spread adjustment and 215 bps per annum, at the Company's option.

Debentures

The Series B Unsecured Debentures were issued on October 2, 2020, and 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. On December 22, 2025, the Company fully repaid the Series B Debentures.

The Series C senior unsecured debentures were issued on June 3, 2021, and 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**").

The Series D senior unsecured debentures were issued on October 17, 2024, and 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**").

The Series E senior unsecured debentures were issued on August 21, 2025, and bear interest at a rate of 4.112% per annum, payable semi-annually in February and August of each year, and mature on August 21, 2030 (the "**Series E Unsecured Debentures**").

The Series F senior unsecured debentures were issued on December 18, 2025, and bear interest at a rate of 3.524% per annum, payable semi-annually in June and December of each year, and mature on December 18, 2028 (the "**Series F Unsecured Debentures**").

The balances related to the debentures are as follows:

Thousands of Canadian dollars	December 31, 2025	December 31, 2024
Series B Unsecured Debentures	—	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	150,000
Series E Unsecured Debentures	175,000	—
Series F Unsecured Debentures	250,000	—
Less: Deferred financing costs	(2,658)	(1,313)
	697,342	448,687

Credit Facilities

The Company has a total borrowing capacity of \$309,811 pursuant to its credit facilities as at December 31, 2025.

On June 16, 2025, the Company amended its \$300,000 senior unsecured revolving credit facility (the "**Unsecured Revolving Credit Facility**"), to extend its maturity by one year to March 19, 2030. 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 plus credit spread adjustment ("**Adjusted CORRA**") and 145 bps per annum (formerly under the discontinued banker's acceptance 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 \$8,000 that matures on June 6, 2030. Borrowings under the credit facility are available by way of loans at the Canadian prime rate plus 45 bps per annum or Adjusted CORRA plus 145 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, 2025, the Company had no draws under the Unsecured Revolving Credit Facility (December 31, 2024 - \$nil). Deferred financing cost related to the Unsecured Revolving Credit Facility was \$464 (December 31, 2024 - \$604). The Company was contingently liable for letters of credit in the amount of

\$1,109 (December 31, 2024 - \$1,281), including its Company proportionate share of Equity-Accounted Joint Ventures of \$420 (December 31, 2024 - \$592) .

Construction Loans

The Company had access to two construction loan facilities, one of which was repaid and cancelled in 2025. As a result, the remaining facility provided a maximum borrowing capacity of \$102,500 at year-end. As at December 31, 2025, \$71,830 was available, of which \$14,194 (December 31, 2024 - \$30,208) was drawn. Borrowings under the construction loan are available at the Canadian Prime rate plus 50 bps per annum or Adjusted CORRA plus 195 bps per annum, at the Company's option.

Mortgages

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

Thousands of Canadian dollars	December 31, 2025	December 31, 2024
Mortgages at fixed rates	632,551	461,381
Mortgages at variable rates ⁽¹⁾	87,922	86,620
Fair value adjustments on assumed debt	6,673	1,815
Less: Deferred financing costs	(16,512)	(19,196)
	710,634	530,620

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, 2025			December 31, 2024	
	Fixed Rate	Variable Rate	Total	Total	Total
Weighted average interest rate ⁽¹⁾	4.09 %	3.93 %	4.07 %	3.88 %	3.88 %
Weighted average term to maturity (years)	6.1	2.7	5.7	6.7	6.7

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, 2025 of \$3,615 represents the Company's lease on its office equipment and the renewed and expansion of Markham corporate office space.

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, 2025, 84% of the Company's total property-level mortgages, including the Company's proportionate share of Equity-Accounted Joint Ventures, were insured by CMHC.

Credit Ratings

On August 1, 2025, Morningstar DBRS confirmed the Company's BBB Issuer Rating and ratings on its Senior Unsecured Debentures, with trends remaining "Stable".

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

Debt	Rating Agency	Credit Rating	Outlook
Series C Unsecured Debentures	Morningstar DBRS	BBB	Stable
Series D Unsecured Debentures	Morningstar DBRS	BBB	Stable
Series E Unsecured Debentures	Morningstar DBRS	BBB	Stable
Series F Unsecured Debentures	Morningstar DBRS	BBB	Stable

Financial Covenants

The Company is in compliance with all financial covenants on its borrowings as at December 31, 2025. 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 rolling twelve months ended December 31, 2025 and December 31, 2024:

Thousands of Canadian dollars	December 31, 2025	December 31, 2024
Net income ⁽²⁾	44,527	38,403
Depreciation and amortization ⁽¹⁾	69,348	68,532
Net finance charges ⁽¹⁾	43,026	40,343
Provision for income taxes	17,344	14,428
Transaction costs ⁽¹⁾	16,534	2,846
Restructuring costs	(180)	200
EBITDA	190,599	164,752
Proceeds from construction funding	3,428	2,839
SOAR program ⁽¹⁾	1,384	495
Gain on disposal of property and equipment ⁽⁴⁾	(3,773)	—
Gain on remeasurement of previously held interest in joint operation ⁽³⁾	(12,596)	—
Adjusted EBITDA	179,042	168,086
Less: One-Time Items ⁽²⁾	(9,660)	(29,525)
Adjusted EBITDA, excluding One-Time Items	169,382	138,561

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

2. For the year ended December 31, 2025, includes \$5,426 WSIB refund, and \$4,234 one-time and retroactive funding related to the prior years. For the year ended December 31, 2024, includes \$3,406 WSIB refund, and \$26,119 one-time and retroactive funding related to the prior years.

3. In Q1 2025, the Company acquired the remaining 30% interest in Nicola Lodge. As a result, its previously held 70% interest was measured to the fair value, resulting in a gain of \$12,596.

4. During the year ended December 31, 2025, the Company disposed of the land and buildings at Waters Edge Community and Fox Ridge Community, within its LTC segment, for proceeds of \$8,145. The net book value of the assets disposed of was \$4,372, resulting in a pre-tax gain on disposal of 3,773.

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 on a trailing 12-month basis as at the following dates:

Thousands of Canadian dollars, except ratio	Rolling 12 months ended	
	December 31, 2025	December 31, 2024
Net finance charges	40,937	37,896
Add (Less):		
Amortization of financing charges and fair value adjustments on acquired debt	(2,642)	(4,083)
Interest capitalized on construction	5,838	4,327
Interest income on construction funding receivable	1,389	269
Interest expenses from Equity-Accounted Joint Ventures	1,947	2,288
Other interest income ⁽¹⁾	3,248	4,277
Fair value (loss) gain on interest rate swap contracts	(717)	(2,388)
Net finance charges, adjusted	50,000	42,586
Adjusted EBITDA ⁽²⁾	179,043	168,086
Interest coverage ratio	3.6	3.9
Adjusted EBITDA - excluding One-Time Items ⁽²⁾	169,383	138,561
Interest coverage ratio - excluding One-Time Items	3.4	3.3

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

2. For the year ended December 31, 2025, includes \$5,426 WSIB refund, and \$4,234 one-time and retroactive funding related to the prior years. For the year ended December 31, 2024, includes \$3,406 WSIB refund, and \$26,119 one-time and retroactive funding related to the prior years.

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. The following is the calculation for the rolling twelve months ended December 31, 2025 and December 31 2024.

Thousands of Canadian dollars, except ratio	Rolling 12 months ended	
	December 31, 2025	December 31, 2024
Net finance charges, adjusted ⁽¹⁾	50,000	42,586
Principal repayments ⁽¹⁾⁽²⁾	19,618	21,490
Total debt service ⁽¹⁾	69,618	64,076
Adjusted EBITDA ⁽³⁾	179,042	168,086
Debt service coverage ratio	2.6	2.6
Adjusted EBITDA - excluding One-Time Items ⁽³⁾	169,382	138,561
Debt service coverage ratio - excluding One-Time Items	2.4	2.2

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 year ended December 31, 2025, includes \$5,426 WSIB refund, and \$4,234 one-time and retroactive funding related to the prior year. For the year ended December 31, 2024, includes \$3,406 WSIB refund, and \$26,119 one-time and retroactive funding related to the prior years.

Net Debt to Adjusted EBITDA Ratio

The Net 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	Rolling 12 months ended	
	December 31, 2025	December 31, 2024
Series B Unsecured Debentures	—	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	150,000
Series E Unsecured Debentures	175,000	—
Series F Unsecured Debentures	250,000	—
Construction loan	14,194	30,208
Mortgages	720,473	548,001
Mortgages related to Equity-Accounted Joint Ventures	23,370	24,327
Construction loan related to Equity-Accounted Joint Venture	27,283	27,283
Lease liability ⁽¹⁾	3,615	3,440
Total indebtedness	1,488,935	1,083,259
Add (Less):		
Cash and cash equivalents	(119,659)	(127,202)
Cash and cash equivalents of Equity Account JVs	(24)	541
Net indebtedness	1,369,252	956,598
Adjusted EBITDA ⁽¹⁾	179,043	168,086
Net debt to Adjusted EBITDA	7.6	5.7
Adjusted EBITDA - excluding One-Time Items ⁽¹⁾⁽²⁾	169,383	138,561
Net debt to Adjusted EBITDA - excluding One-Time Items	8.1	6.9

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

2. For the year ended December 31, 2025, includes \$5,426 WSIB refund, and \$4,234 one-time and retroactive funding related to the prior year. For the year ended December 31, 2024, includes \$3,406 WSIB refund, and \$26,119 one-time and retroactive funding related to the prior years.

Net Debt to Adjusted Gross Book Value

Net 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	December 31, 2025	December 31, 2024
Net indebtedness ⁽¹⁾	1,369,252	956,598
Total assets ⁽¹⁾	2,589,422	1,913,540
Accumulated depreciation on property and equipment ⁽¹⁾	541,543	497,554
Accumulated amortization on intangible assets ⁽¹⁾⁽²⁾	230,687	223,356
Adjusted Gross Book Value ⁽¹⁾	3,361,652	2,634,450
Net Debt to Adjusted Gross Book Value	40.7 %	36.3 %

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

2. Includes fully amortized assets of \$175,361 as at December 31, 2025 (December 31, 2024 - \$175,361).

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, 2024	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 and taxes	9,591,000	138,990
Common shares issued pursuant to the SOAR program	32,327	471
Balance, December 31, 2024	82,661,000	1,105,454
Dividend reinvestment plan	1,044,170	17,875
Long-term incentive plan, net of loans receivable	—	79
Common shares issued, net of share issuance costs	9,108,000	138,942
Common shares issued pursuant to the ATM program, net of share issuance costs	6,332,942	122,743
Common shares issued pursuant to the SOAR program	73,351	1,325
Balance, December 31, 2025	99,219,463	1,386,418

On February 27, 2025, the Company completed a bought-deal offering of 9,108,000 common shares of the Company at a price of \$15.80 per common share for aggregate gross proceeds of \$143,906. Costs related to the issuance totaled \$4,964 net of taxes of \$1,699, 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 had the authority to acquire up to a maximum of 3,649,974 of its common shares for cancellation over the next 12 months. The NCIB expired 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, upon approval by the Board of Directors, which

was previously temporarily suspended on March 18, 2020.

ATM Program

On May 6, 2025, Sienna established an ATM Program, which allowed the Company from time to time during favourable market conditions to issue up to \$125 million of common shares to raise equity. Any common shares sold under the ATM Program will be distributed through the Toronto Stock Exchange or any other permitted marketplace at the market prices prevailing at the time of sale.

In Q4 2025, approximately 5.0 million shares were issued under the ATM Program for gross proceeds of approximately \$101.1 million at an average share price of \$20.15. As at December 31, 2025, approximately 6.3 million shares have been issued at an average share price of \$19.73 for aggregate gross proceeds of \$124,960. Total issuance costs of \$2,217, net of taxes of \$795, were recorded against shareholders' equity.

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,		
	2025	2024	Change	2025	2024	Change
Cash provided by operating activities	38,281	21,914	16,367	81,901	149,929	(68,028)
Dividends declared	(22,493)	(19,332)	(3,161)	(86,686)	(72,064)	(14,622)
Cash provided by operating activities in excess (deficit) of dividends declared	15,788	2,582	13,206	(4,785)	77,865	(82,650)
AFFO	32,635	25,084	7,551	109,612	103,221	6,391
Dividends declared	(22,493)	(19,332)	(3,161)	(86,686)	(72,064)	(14,622)
AFFO retained	10,142	5,752	4,390	22,926	31,157	(8,231)

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.

Contractual Obligations and Other Commitments

Leases

On May 21, 2025, the Company extended its Markham corporate office lease by one year to October 31, 2030, and agreed to lease an additional 7,500 square feet for five years, commencing on November 1, 2025. The Company also has equipment leases that expire over the next four years.

Other Commitments

On December 18, 2025, the Company completed its acquisition of a 78.18% interest in LaSalle Park, a 123-suite retirement residence in Burlington, Ontario for a gross purchase price of \$66.8 million, including working capital adjustments. The Company shall purchase another 10.91% interest by January 15, 2027 and within 5 years following purchase the remaining 10.91% interest.

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.

Capital Investment

Strategic Capital Investments

The Company believes it can enhance its existing portfolio through strategic capital investments aimed at supporting occupancy, improving margins and NOI, and ultimately increasing the long-term value of its assets. The strategic capital investments include suite renovations, technology enhancements, and environmental upgrades across selected retirement residences.

These investments are aimed at modernizing the properties' aging infrastructure, enhancing asset quality and increasing operational efficiency. Strategic capital investments are not included in the determination of AFFO.

For the three months and the year ended December 31, 2025, the Company incurred \$5,012 and \$14,918, respectively (2024 - \$1,322 and \$2,247, respectively) for strategic capital initiatives.

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,	
	2025	2024	2025	2024
Building maintenance	2,632	2,669	7,258	6,033
Mechanical and electrical	2,008	1,183	4,274	4,310
Suite renovations and common area upgrades	1,392	231	4,679	2,723
Communications and information systems	418	24	842	400
Furniture, fixtures and equipment	722	670	2,488	2,002
Total maintenance capital expenditures	7,172	4,777	19,541	15,468
Capital Investments in Equity-Accounted Joint Ventures	474	358	1,225	899

Building Maintenance

Building maintenance include the costs for structures, roofing, exterior grounds, fire safety, and sprinklers. For the year ended December 31, 2025, the increase in building maintenance compared to the prior year was due to higher repairs.

Suite Renovations and Common Area Maintenance

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

Mechanical and Electrical

Mechanical and electrical expenditures include the costs for heating, air conditioning and ventilation systems, boilers, pumps and building elevators.

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.

Construction Funding

The Company receives construction funding subsidies ("CFS") 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 Ministry of Long-Term Care on the development or redevelopment and completing the construction in accordance with a development agreement signed with the Ministry of Long-Term Care.

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, 2025, 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".

The Company successfully completed its redevelopment projects in North Bay and Brantford in Q3 2025, with operations beginning in early September and mid-October, respectively. The Company is eligible for receiving CFS for North Bay in September and for Brantford in October, with total funding of approximately \$82.2 million for each project over a 25-year funding period, including approximately \$32.3 million interest income. For each of the North Bay and the Brantford project, the Company expects to receive approximately \$3.3 million in construction subsidy payments during the first twelve months, of which \$2.2 million will be recognized as interest income with the remainder contributing to AFFO.

During the year, approximately \$100.7 million construction funding were recorded in property and equipment as a deduction from the carrying amount of the related assets.

For the years ending December 31, 2025 through 2030, and thereafter, the Company estimates that the construction funding amount for completed projects will be as follows:

Thousands of Canadian dollars	Construction funding interest income ⁽¹⁾	Construction funding principal ⁽²⁾	Total construction funding to be received
2026	4,402	3,548	7,950
2027	4,266	2,910	7,176
2028	4,153	3,023	7,176
2029	4,014	3,072	7,086
2030	3,888	2,928	6,816
Thereafter	42,832	89,995	132,827
	63,555	105,476	169,031

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 three months and the year ended December 31, 2025, interest income on construction funding of \$952 and \$1,389, respectively (2024 - \$59 and \$269, respectively) was recognized, and an adjustment of \$811 and \$2,039, respectively (2024 - \$429 and \$2,570, respectively) was made to AFFO for construction funding principal received.

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, 2025.

New or changes in accounting policies are identified in Note 3 of the Company's annual audited consolidated financial statements for the year ended December 31, 2025. Please refer to those financial statements for further details.

Significant Judgements 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 licenses

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 5 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 Alberta and 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".

Company Profile Risk 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 National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings. 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 offices

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.

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

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.

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.

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, 2025.

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 be licensed and 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.

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 Morningstar. DBRS has also assigned a rating "BBB", with "Stable" trend, to the Company's 2.82% Series C Unsecured Debentures due March 31, 2027, the 4.436% Series D Unsecured Debentures due October 17, 2029, the 4.112% Series E Unsecured Debentures due August

21, 2030 and the 3.524% Series F Unsecured Debentures due December 18, 2028. 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, 2025. However, there can be no assurance that future covenant requirements will be met. The Company's credit facilities 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 developments

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. Delays and cost over-runs may occur in completing the construction of development projects that may be undertaken. A number of factors that could cause delays or cost over-runs include, but are not limited to, site conditions, permitting delays, changing engineer and design requirements, the performance of contractors, labour and supply chain disruptions generally or due to public health crises, pandemics or epidemics, adverse weather conditions and availability of financing. 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 90% 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, Alberta Union of Provincial Employees ("AUPE"), The Laborers' International Union of North America ("LIUNA") and United Food and Commercial Workers Union ("UFCW"). In addition, pursuant to an agreement with the British Columbia Ministry of Health, HEABC and the Facilities Bargaining Association, care operators in British Columbia may be required to become members of HEABC.

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 interest

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.

License 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 5 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. In Alberta, the *Continuing Care Act* establishes authority and oversight for licensing, accommodations, and the delivery of publicly funded health care in the continuing care system. 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.

Ongoing 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 2025, the Company completed its acquisition of four continuing care homes in Alberta. 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.

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,

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.

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, 2025. 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, 2025.

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, 2025. 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, 2025, 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, 2025 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.

Non-GAAP 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, ("**EBITDA**") and 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: Occupancy, Revenue, Proportionate Basis, Operating Expenses, Proportionate Basis, NOI, OFFO and OFFO per share, AFFO and AFFO per share,

Adjusted EBITDA, AFFO Payout Ratio, Net Debt to Adjusted Gross Book Value, Weighted Average Cost of Debt, Net Debt to Adjusted EBITDA Ratio, Interest Coverage Ratio, Debt Service Coverage Ratio, Weighted Average Term to Maturity 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.

Non-GAAP Measures ⁽¹⁾	Definition	Reconciliation
One-Time Items	One-Time Item(s) are non-recurring and/or non-operational in nature. The Company believes the normalized metric would be useful and would allow readers to compare Sienna's performance to industry peers on a more consistent basis. Please refer to Key Performance Indicators, footnote 4 for list of One-Time Items.	N/A
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. Management presents certain non-GAAP measures on a proportionate basis ("proportionate basis"), which includes the Company's share of interests in joint arrangements that are accounted for using the equity method. This is viewed as relevant in demonstrating the Company's performance and is the basis of many of Sienna's key performance measures.	N/A
Revenue, Proportionate Basis	Revenue, Proportionate Basis is defined as revenue, including the Company's share of revenue in Equity-Accounted Joint Ventures (as defined above) on a proportionate consolidated basis.	Section - Revenue
Revenue, Proportionate Basis, excluding One-Time Items	Revenue, Proportionate Basis, excluding One-Time Items begins with Revenue, Proportionate Basis, then adjusts for One-Time Items.	
Operating Expenses, Proportionate Basis	Operating Expenses, Proportionate Basis is defined as operating expenses, including the Company's share of operating expenses in Equity-Accounted Joint Ventures (as defined above) on a proportionate consolidated basis.	Section - Operating Expenses
Operating Expenses, Proportionate Basis, excluding One-Time Items	Operating Expenses, Proportionate Basis, excluding One-Time Items begins with Operating Expenses, Proportionate Basis, then adjusts for One-Time Items.	

Non-GAAP Measures ⁽¹⁾	Definition	Reconciliation
Net Operating Income ("NOI")	NOI is defined as property revenue net of property operating expenses, including the Company's share of the operating income from Equity-Accounted Joint Ventures. 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 - NOI
NOI, excluding One-Time Items	NOI, excluding One-Time Items begins with NOI, then adjusts for One-Time Items.	
Funds from Operations ("FFO")	FFO is defined as 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 - Adjusted Funds from Operations
FFO, excluding One-Time Items	FFO, excluding One-Time Items begins with FFO, then adjusts for One-Time Items.	
Operating Funds from Operations ("OFFO") and OFFO per share	OFFO is FFO adjusted for non-recurring items, which include restructuring costs, and presents net finance charges on a cash interest basis. Management is of the view that OFFO is a relevant measure of the operating performance of the Company. OFFO, excluding One-Time Items, begins with OFFO, then adjusts for One-Time Items.	Section - Adjusted Funds from Operations
OFFO and OFFO per share, excluding One-Time Items		
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 - Adjusted Funds from Operations
AFFO and AFFO per share, excluding One-Time Items	AFFO, excluding One-Time Items begins with AFFO, then adjusts for One-Time Items.	
Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")	EBITDA is defined as net income excluding net finance charges, taxes, transaction costs, depreciation and amortization, restructuring costs, 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, adjusted for construction funding proceeds and other non-recurring items, including SOAR program and gain on remeasurement of previously held interest in joint operation.	Section - Liquidity and Capital Resources - Financial Covenants
Adjusted EBITDA, excluding One-Time Items	Adjusted EBITDA, excluding One-Time Items, begins with Adjusted EBITDA, then adjusts for One-Time Items.	

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. Average occupancy is calculated by dividing the earned resident days by available resident days for the same period. Occupancy percentage includes properties owned and jointly owned by the Company during the period. Total available resident days is the number of beds/suites available for occupancy multiplied by the number of days in the period. For long-term care segment, the calculation of earned and available resident days is adjusted to exclude certain bed types that are not subject to government's occupancy requirements for funding purposes.
AFFO Payout Ratio	Management monitors the AFFO payout ratio, which is calculated by dividing dividends declared over AFFO.
AFFO Payout Ratio, excluding One-Time Items	AFFO Payout Ratio, excluding One-Time Items, is calculated by dividing dividends declared over AFFO, excluding One-Time Items.
Net Debt	Net debt is defined as total debt less cash and cash equivalents (including the Company's share of debt in Equity-Accounted Joint Ventures)
Net Debt to Adjusted Gross Book Value	This ratio is calculated by dividing Net Debt over Adjusted Gross Book Value. In conjunction with the debt service coverage ratio, management monitors this ratio to ensure compliance with certain financial covenants.
Weighted Average Cost of Debt	This ratio is calculated by weighted averaging the average interest rate for the total debt maturing each year. It is an indicator of the average interest rate the Company expects to pay on its total debt.
Net Debt to Adjusted EBITDA Ratio	This ratio is calculated by dividing Net Debt over Adjusted EBITDA.
Net Debt to Adjusted EBITDA Ratio, excluding One-Time Items	Net debt to Adjusted EBITDA Ratio, excluding One-Time Items, begins with Net Debt to Adjusted EBITDA Ratio, then adjusts for One-Time Items.
Interest Coverage Ratio	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.
Interest Coverage Ratio, excluding One-Time Items	Interest Coverage Ratio, excluding One-Time Items is calculated using Adjusted EBITDA, excluding One-Time Items divided by net finance charges.
Debt Service Coverage Ratio	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.
Debt Service Coverage Ratio, excluding One-Time Items	Debt Service Coverage Ratio, excluding One-Time Items, begins with Debt Service Coverage Ratio, then adjusts for One-Time Items.
Weighted Average Term to Maturity	This ratio is calculated by totaling the weighted average number of remaining years for mortgages. This indicator is used by management to monitor its debt maturities.
Same Property	"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.

Key Performance Indicators	Description
Growth and Optimization	<p>The Growth and Optimization portfolio includes:</p> <p>a) Growth Portfolio, including: (i) properties acquired within the last 12 months or (ii) development and redevelopment properties in lease-up and not yet stabilized; and (iii) other properties, including those held for sale, sold, or in the process of wind-down or closure; and</p> <p>b) Optimization Portfolio that are expected to be undergoing repositioning under Sienna's asset optimization initiative, involving renovations or major repositioning, including changes to capacity or use in the current and/or the next year to maximize market value, increase NOI, maintain market-competitive position and/or achieve stabilization.</p> <p>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>
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	Investment Yield is calculated as stabilized annual NOI, divided by the purchase price of the acquired property, excluding the impact of any anticipated synergy savings.

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", "target", 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

2025 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

Consolidated Financial Statements

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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, 2026

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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 cash flow 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 Robyn Graveline.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 19, 2026

Consolidated Statements of Financial Position

Thousands of Canadian dollars

	Notes	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		119,659	127,202
Accounts receivable and other receivables		19,815	18,432
Prepaid expenses and deposits		13,140	13,321
Government funding receivable		7,331	3,387
Construction funding receivable	5, 8	3,595	1,333
Derivative assets	5	3,900	1,194
Income taxes recoverable		10,433	—
		177,873	164,869
Non-current assets			
Derivative assets	5	86	446
Restricted cash	7	3,263	2,736
Construction funding receivable	5, 8	101,881	4,868
Investment in joint ventures	27	125,034	131,775
Property and equipment	4, 9	1,747,063	1,194,272
Intangible assets	4, 10	217,413	195,938
Goodwill	11	164,345	164,903
Total assets		2,536,958	1,859,807
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	12	169,786	151,821
Government funding payable		148,459	145,553
Current portion of long-term debt	5, 13	19,884	72,233
Current portion of share-based compensation liability	18	13,305	7,058
Income taxes payable		—	11,441
		351,434	388,106
Non-current liabilities			
Long-term debt	5, 13	1,405,437	940,112
Deferred tax liabilities	15	54,914	46,523
Share-based compensation liability	18	5,565	4,345
Derivative liabilities	5	82	—
Total liabilities		1,817,432	1,379,086
EQUITY			
Shareholders' equity		719,526	480,721
Total equity		719,526	480,721
Total liabilities and equity		2,536,958	1,859,807

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

Thousands of Canadian dollars

	Notes	Share capital	Contributed surplus	Accumulated deficit	Total shareholders' equity
Balance, January 1, 2025		1,105,454	203	(624,936)	480,721
Common shares issued, net of share issuance costs and taxes	16	138,942	—	—	138,942
Common shares issued pursuant to Sienna Ownership and Reward ("SOAR") program	16	1,325	—	—	1,325
Common shares issued pursuant to At The Market ("ATM") Program, net of share issuance costs	16	122,743	—	—	122,743
Dividend reinvestment plan	16	17,875	—	—	17,875
Net income		—	—	44,527	44,527
Long-term incentive plan, net of loans receivable	16	79	—	—	79
Dividends	17	—	—	(86,686)	(86,686)
Balance, December 31, 2025		1,386,418	203	(667,095)	719,526

	Notes	Share capital	Contributed surplus	Accumulated deficit	Total shareholders' equity
Balance, January 1, 2024		964,843	203	(591,275)	373,771
Common shares issued, net of share issuance costs and taxes	16	138,990	—	—	138,990
Common shares issued pursuant to the SOAR program	16	471	—	—	471
Dividend reinvestment plan	16	1,126	—	—	1,126
Net income		—	—	38,403	38,403
Long-term incentive plan, net of loans receivable	16	24	—	—	24
Dividends	17	—	—	(72,064)	(72,064)
Balance, December 31, 2024		1,105,454	203	(624,936)	480,721

See accompanying notes.

Consolidated Statements of Net Income and Comprehensive Income

Thousands of Canadian dollars, except share and per share data

	Notes	Year Ended December 31	
		2025	2024
Revenue	22, 26	1,004,937	893,158
Expenses and other items			
Operating expenses		805,321	704,014
Depreciation and amortization	9, 10	59,264	51,104
Administrative expenses	23	39,288	35,054
Share of net (income) loss in joint ventures	27	(1,959)	9,585
Net finance charges	14	40,937	37,896
Transaction costs		16,584	2,674
Gain on disposal of property and equipment	9	(3,773)	—
Gain on remeasurement of previously held interest in joint operation	4	(12,596)	—
	24	943,066	840,327
Income before provision for (recovery of) income taxes		61,871	52,831
Provision for (recovery of) income taxes			
Current	15	6,459	15,454
Deferred	15	10,885	(1,026)
	15	17,344	14,428
Net income and comprehensive income		44,527	38,403
Net income per share (basic and diluted)	16	\$0.49	\$0.50
Weighted average number of common shares outstanding	16	91,647,193	76,291,724

See accompanying notes.

Consolidated Statements of Cash Flows

Thousands of Canadian dollars

	Notes	Year ended December 31	
		2025	2024
OPERATING ACTIVITIES			
Net income		44,527	38,403
Add (deduct) items not affecting cash			
Depreciation of property and equipment	9	55,789	47,767
Amortization of intangible assets	10	3,475	3,337
Current income tax expense		6,459	15,454
Deferred income tax expense (recovery)		10,885	(1,026)
Share of net (income) loss in joint ventures	27	(1,959)	9,585
Share-based compensation expense	18, 23	7,106	5,248
Common shares issued pursuant to SOAR program	16, 23	1,325	471
Net finance charges	14	40,937	37,896
Restructuring (recovery) expense	23	(180)	200
Gain on disposal of property and equipment	9	(3,773)	—
Gain on remeasurement of previously held interest in joint operation	4	(12,596)	—
		151,995	157,335
Non-cash changes in working capital			
Accounts receivable and other receivables		(1,090)	(2,300)
Prepaid expenses and deposits		1,086	(2,644)
Accounts payable and other liabilities		6,510	14,597
Government funding, net		(1,597)	25,703
		4,909	35,356
Interest paid on debt	14	(47,064)	(41,460)
Net settlement receipt on interest rate swap contracts	14	390	2,428
Income taxes paid		(28,329)	(3,730)
Cash provided by operating activities		81,901	149,929
INVESTING ACTIVITIES			
Purchase of property and equipment	9	(137,609)	(148,026)
Government assistance related to capital expenditures	9	13,366	22,436
Net proceeds from disposal of property and equipment	9	8,145	—
Acquisitions, net of cash acquired	4	(368,020)	—
Purchase of intangible assets	10	(1,976)	(2,075)
Proceeds from construction funding	8	3,428	2,839
Interest received	14	3,248	4,237
Investment in joint ventures	27	(900)	(1,445)
Distributions received from joint venture	27	9,600	5,749
Increase in restricted cash	7	(527)	(195)
Cash used in investing activities		(471,245)	(116,480)
FINANCING ACTIVITIES			
Net proceeds from issuance of common shares	16	259,191	137,224
Repayment of long-term debt	13	(277,696)	(286,193)
Proceeds from long-term debt	13	470,285	296,597
Deferred financing costs		(2,459)	(8,094)
Dividends paid	17	(67,520)	(70,185)
Cash provided by financing activities		381,801	69,349
(Decrease) increase in cash and cash equivalents during the year		(7,543)	102,798
Cash and cash equivalents, beginning of year		127,202	24,404
Cash and cash equivalents, end of year		119,659	127,202

See accompanying notes.

Notes to the Consolidated Financial Statements

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

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 and continuing care ("**LTC**" or "**Long-term Care**") through the ownership and operation of seniors' living residences in the Provinces of Alberta, British Columbia, Saskatchewan, and Ontario. As at December 31, 2025, the Company owns and operates a total of 93 seniors' living residences: 46 retirement residences ("**RRs**" or "**Retirement Residences**") (including the Company's 50% joint venture interest in 12 residences in Ontario and Saskatchewan, 70% joint venture interest in one residence in Ontario, and 78.2% joint ownership in one residence in Ontario); 35 LTC residences; and 12 seniors' living residences providing both private-pay IL and AL and funded LTC (including the Company's 77.2% joint ownership in one residence 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, 2025, the Company had outstanding 99,219,463 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, 2026.

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."

Notes to the Consolidated Financial Statements

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

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.

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.

Notes to the Consolidated Financial Statements

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

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 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.

In Alberta, operators of Designated Supportive Living ("DSL") residences receive two primary revenue streams: care funding from Alberta Health Services ("AHS") and resident accommodation fees.

AHS provides funding for scheduled care, personal supports, and health-related services delivered to DSL residents. Care funding covers services such as nursing support, personal care, therapy, social work, and dietary services, and is provided through continuing care arrangements funded by the Government of Alberta. Revenue from care funding is recognized as the related services are rendered in accordance with the applicable service agreements.

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In addition to care funding, DSL residents are responsible for paying accommodation fees, which are regulated and standardized across Alberta by the Government of Alberta. Accommodation fees include charges for room and board, meals, housekeeping, building maintenance, and general facility services. Accommodation revenue is recognized based on the number of resident days in the period multiplied by the regulated daily rate, to the extent that the amounts are collectible.

Accommodation fees are subject to annual maximum adjustments, typically increasing effective August 1 each year, based on limits prescribed under Alberta's Continuing Care regulations. Operators may apply increases up to the annual maximum, and adjustments are published by the Government of Alberta.

Optional or enhanced services offered to residents beyond those funded by AHS (such as additional hospitality or personal support services) are billed directly to residents. Revenue from these services is recognized as the services are provided.

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.

Government grants related to depreciable assets are presented as a deduction from the carrying amount of the related property and equipment and are recognized in the consolidated statements of net income and comprehensive income over the assets' useful lives through reduced depreciation expense. Initial recognition of the construction funding receivable and the related net presentation against property and equipment are non-cash investing transactions and are excluded from the consolidated statement of cash flows.

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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

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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.

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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 and 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.

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.

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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.

Notes to the Consolidated Financial Statements

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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 liabilities 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 liabilities are 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.

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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.

Notes to the Consolidated Financial Statements

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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 5 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 Alberta and 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.

The 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 and growth rates.

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 assessing the impact of IFRS 18 on its consolidated financial statements. Based on its preliminary assessment, the Company expects the primary impacts to relate to changes in financial statement presentation and disclosures, including the introduction of new defined subtotals to be presented in the Consolidated Statement of Net Income and Comprehensive Income, and additional disclosure requirement for certain non-GAAP measures that may be identified as management-defined performance measures.

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

Notes to the Consolidated Financial Statements

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4 Acquisitions

The table below summarizes all acquisitions completed as of December 31, 2025, with additional information discussed further below.

	Fair value of 30% interest in Nicola Care Community Lodge	Alberta Portfolio	Wildpine Residence ⁽¹⁾	Hazeldean Gardens Residence	Credit River ⁽¹⁾	Cawthra Gardens ⁽¹⁾	Hygate on Lexington ⁽¹⁾	LaSalle Park ⁽¹⁾	Total
Date of Acquisition	February 28, 2025	April 1, 2025	April 15, 2025	June 17, 2025	August 18, 2025	October 1, 2025	December 15, 2025	December 18, 2025	
Province	British Columbia	Alberta	Ontario	Ontario	Ontario	Ontario	Ontario	Ontario	
Cash	1,675	4	—	—	—	—	—	—	1,679
Property and equipment	22,301	184,523	45,900	83,344	58,650	30,600	85,538	62,309	573,165
Intangible assets	4,072	4,400	1,650	3,125	1,550	—	7,750	4,613	27,160
Working capital	(1,345)	(1,042)	(279)	108	(449)	(3,314)	33	(117)	(6,405)
Net assets acquired at fair value	26,703	187,885	47,271	86,577	59,751	27,286	93,321	66,805	595,599
Cash consideration	15,343	30,031	22,338	81,577	59,751	27,286	93,321	40,052	369,699
Long-term debt assumed	11,360	157,854	24,933	—	—	—	—	26,753	220,900
Contingent consideration	—	—	—	5,000	—	—	—	—	5,000
Total consideration transferred	26,703	187,885	47,271	86,577	59,751	27,286	93,321	66,805	595,599
Cash consideration	15,343	30,031	22,338	81,577	59,751	27,286	93,321	40,052	369,699
Less: cash acquired	(1,675)	(4)	—	—	—	—	—	—	(1,679)
Net cash outflow arising on acquisition	13,668	30,027	22,338	81,577	59,751	27,286	93,321	40,052	368,020

⁽¹⁾ Provisional fair value of the identifiable assets and liabilities as at the date of acquisition. The purchase price allocation is based on management's current best estimate of fair value. The actual allocation to certain identifiable net assets could vary as the working capital adjustment is finalized.

Acquisition of Remaining 30% Interest in Nicola Care Community Lodge

On February 28, 2025, the Company acquired the remaining 30% interest in Nicola Care Community Lodge ("Nicola Lodge" or "Nicola"), increasing its interest in Nicola Lodge from 70% to 100% ("**Step-up Acquisition of Nicola**") and obtaining control of Nicola Lodge. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

As part of the step-up acquisition to 100% ownership of Nicola Lodge, the previously held interest was deemed to be disposed and reacquired at fair value of \$61,880, resulting in a gain of \$12,596 recorded on the consolidated statements of net income and comprehensive income.

The following table summarizes the provisional fair value of the identifiable assets acquired and liabilities of the acquired business as at acquisition date, as well as the consideration transferred.

Notes to the Consolidated Financial Statements

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

	February 28, 2025
Assets	
Cash	5,583
Accounts receivable and other receivables	410
Prepaid expenses	620
Property and equipment	74,337
Intangible assets	13,573
Total assets	94,523
Liabilities	
Accounts payable and accrued liabilities	3,650
Government funding payable	1,863
Total liabilities	5,513
Net assets of Nicola Lodge	89,010
Fair value of 30% interest in Nicola Lodge	26,703
Satisfied by	
Cash consideration	15,343
Long-term debt assumed	11,360
Total consideration	26,703
Cash consideration	15,343
Less: cash acquired	(1,675)
Net cash outflow arising on acquisition	13,668

Acquisition-related costs (included in transaction costs) related to the Step-up Acquisition of Nicola were \$178. As part of the Step-up Acquisition of Nicola, the Company assumed the remaining 30% of the existing property-level mortgage in the amount of \$11.5 million with a fair value of \$11.4 million, bearing interest at a rate of 5.01% and maturing on August 1, 2041.

From February 28, 2025, Nicola Lodge contributed incremental revenue and net income of \$7,546 and \$997, respectively.

Alberta Portfolio Acquisition

On April 1, 2025, the Company completed its acquisition of a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat ("**Alberta Acquisition**") for an aggregate purchase price of \$187.9 million, including working capital adjustments. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

The Alberta Acquisition is subject to an additional contingent consideration of up to \$4.0 million (undiscounted), if certain funding and performance targets are achieved prior to March 2026. The fair value of the contingent consideration was estimated to be insignificant by applying a probability-weighted approach based on management's best estimates of future performance outcomes and the likelihood of achieving specific targets. No contingent consideration was recognized as at acquisition date and at December 31, 2025.

Acquisition-related costs (included in transaction costs) were \$1,784.

As part of the Alberta Acquisition, the Company assumed property-level mortgages in the aggregate amount of \$150.6 million, with a fair value of \$157.9 million, bearing a weighted average interest rate of 4.6% and a remaining average term of approximately 4.3 years.

From April 1, 2025, Alberta Acquisition contributed revenue and net income of \$35,305 and \$1,223, respectively.

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Wildpine Residence Acquisition ("Wildpine")

On April 15, 2025, the Company completed its acquisition of Wildpine, a 165-suite retirement residence in Ottawa, Ontario, for an aggregate purchase price of \$47.3 million, including working capital adjustments. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

Acquisition-related costs (included in transaction costs) were \$1,420.

As part of the acquisition, the Company assumed \$25.2 million of CMHC insured debt, with a fair value of \$24.9 million, with an interest rate of 3.69% and a remaining term of approximately 7.4 years.

From April 15, 2025, Wildpine contributed revenue and net income of \$5,978 and \$336, respectively.

Hazeldean Gardens Retirement Residence Acquisition ("Hazeldean")

On June 17, 2025, the Company completed its acquisition of Hazeldean, a 172-suite retirement residence consisting of 129 IL, 31 AL, and 12 MC units in Stittsville, a suburb located in Ottawa's west end for an aggregate purchase price of \$86.6 million, including working capital adjustments and contingent consideration. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

A maximum potential contingent consideration of \$5,000 (undiscounted) has been recognized on the acquisition date in respect to an earn-out liability payable subject to meeting specified operation performance threshold targets over a two-year period from the date of acquisition. The fair value of the contingent consideration, determined based on the expected probable outcome, approximates its carrying amount as at both the acquisition date and December 31, 2025.

Acquisition-related costs (included in transaction costs) were \$1,907.

From June 17, 2025, Hazeldean contributed revenue and net income of \$7,259 and \$1,626, respectively.

Credit River Retirement Residence Acquisition ("Credit River")

On August 18, 2025, the Company completed its acquisition of Credit River, a 133-suite retirement residence, consisting of 84 IL, 25 AL, and 24 MC units in Streetsville, Ontario for a gross purchase price of \$59.8 million, including working capital adjustments. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

Acquisition-related costs (included in transaction costs) were \$1,587.

From August 18, 2025, Credit River contributed revenue and net income of \$2,160 and \$177, respectively.

Cawthra Gardens Long-term Care Acquisition ("Cawthra Gardens")

On October 1, 2025, the Company completed its acquisition of Cawthra Gardens, a 192-bed Class A long-term care home in Mississauga, Ontario for a gross purchase price of \$27.3 million, including working capital adjustments. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

Acquisition-related costs (included in transaction costs) were \$1,098.

From October 1, 2025, Cawthra Gardens contributed revenue and net income of \$5,947 and \$273, respectively.

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Hygate on Lexington Retirement Residence Acquisition ("Hygate")

On December 15, 2025, the Company completed its acquisition of Hygate, a 216-suite retirement residence in Waterloo, Ontario for a gross purchase price of \$93.3 million, including working capital adjustments. The acquisition qualifies as a business combination as defined by IFRS 3 Business Combinations.

Acquisition-related costs (included in transaction costs) were \$2,181.

From December 15, 2025, Hygate contributed revenue and net income of \$350 and \$86, respectively.

LaSalle Park Retirement Residence Acquisition ("LaSalle Park")

On December 18, 2025, the Company completed its acquisition of a 78.2% interest in LaSalle Park, a 123-suite retirement residence in Burlington, Ontario for a gross purchase price of \$66.8 million, including working capital adjustments. The Company acquired an additional 10.9% interest on February 1, 2026 (Note 29), and will acquire the final 10.9% interest within five years of the initial closing date. The purchase price for the remaining interest will be equal to the fair market value of the underlying purchased assets at the time of the transaction, as determined in accordance with a valuation process to be agreed by the parties following the second closing, including a dispute resolution mechanism.

Until the acquisition of the remaining interest, LaSalle Park is accounted for as a joint operation (Note 27), as the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of LaSalle Park.

As part of the acquisition, the Company assumed \$26.7 million of debt bearing interest at approximately 4.4% and maturing in 2028, with the remaining balance funded with general corporate funds. The carrying value of debt assumed represents its fair value.

Acquisition-related costs (included in transaction costs) were \$1,709.

From December 18, 2025 LaSalle Park contributed revenue and net income of \$331 and \$142, respectively.

If all of the acquisitions described above had taken place on January 1, 2025, the Company's revenue and net income for the year ended December 31, 2025, would have increased by \$140,908 and \$17,253, respectively.

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.

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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 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 other 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

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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 their fair values.

The following financial instruments are measured at amortized cost and the corresponding fair values as at December 31, 2025 and December 31, 2024 are disclosed in the table below:

	As at December 31, 2025		As at December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Construction funding receivable	105,476	104,039	6,201	5,953
Financial liabilities				
Long-term debt	1,425,321	1,442,286	1,012,345	1,005,059

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. The fair value as at December 31, 2025 for the construction funding receivable was discounted using rates between 2.28% (2024 - 3.48%) and 4.49% (2024 - 4.75%).

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, 2025 for the fixed-rate debt was discounted using rates between 3.59% (2024 - 3.64%) and 5.19% (2024 - 5.65%).

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, 2025, 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 \$12,667 as at December 31, 2025, with the change in fair value recognized in administrative expenses.

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Maturities of financial instruments

For the years ending December 31, 2026 through 2030 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:

	As at December 31, 2025					
	2026	2027	2028	2029	2030	Thereafter
Government funding receivable/payable						
Cash inflows	7,331	—	—	—	—	—
Cash outflows	(148,459)	—	—	—	—	—
	(141,128)	—	—	—	—	—
Interest rate swap contracts						
Cash inflows	2,382	1,747	962	675	273	—
Cash outflows	(2,227)	(1,696)	(975)	(698)	(284)	—
	155	51	(13)	(23)	(11)	—
Total return swaps						
Cash inflows	3,745	—	—	—	—	—
Construction funding receivable						
Cash inflows	7,950	7,176	7,176	7,086	6,816	132,827
Long-term debt						
Cash outflows	(78,289)	(235,009)	(463,944)	(338,382)	(232,405)	(374,403)
Net cash outflows	(207,567)	(227,782)	(456,781)	(331,319)	(225,600)	(241,576)

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 \$60,941 and is currently subjected to a weighted average interest rate of 3.75% as at December 31, 2025.

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.

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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 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, 2024	4,162
Provision for receivables during the year	1,710
Receivables written off during the year	(944)
Balance, December 31, 2024	4,928
Provision for receivables during the year	339
Receivables written off during the year	(845)
Balance, December 31, 2025	4,422

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

	2025	2024
0 - 30 days	1,820	1,774
31 - 60 days	763	522
61 - 90 days	116	39
Over 90 days	564	377
	3,263	2,712

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, 2025. 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, 2025, the Company had negative working capital (current liabilities less current assets) of \$173,561 (December 31, 2024 - \$223,237), 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.

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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, 2025 assuming that a reasonably possible change in the relevant risk variable has occurred as at December 31, 2025. 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, 2025 balances and on the basis that the balances, the ratio of fixed to variable rates of debt and the derivatives as at December 31, 2025 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.

	Fair value	Year Ended December 31, 2025	
		Market risk	
		-1%	+1%
		Comprehensive income	Comprehensive income
Financial assets:			
Total return swap contracts ⁽²⁾	3,745	(124)	124
Interest rate swap contracts ⁽¹⁾	266	(761)	761
Financial liabilities:			
Debt at variable rates subject to interest rate risk ⁽¹⁾	14,194	(142)	142
Interest rate swap contracts ⁽¹⁾	107	(757)	759

⁽¹⁾ Market risk represents interest rate sensitivity

⁽²⁾ Market risk represents share price sensitivity

	Fair value	Year ended December 31, 2024	
		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

⁽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.

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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, 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 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, 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 market and economic conditions at the time of the transaction.

The Board of Directors of the Company determines and approves monthly dividends paid in advance 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, 2025, the Company has \$3,263 in restricted cash (December 31, 2024 - \$2,736).

8 Construction funding receivable

As at December 31, 2025, the Company is eligible to receive funding from the Government of Ontario of approximately \$105,476 (December 31, 2024 - \$6,201) 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. 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. As at December 31, 2025, the condition for the funding has been met.

The Company recognized approximately \$49.9 million in construction funding receivable following the commencement of operations at Northern Heights Community in September 2025, and approximately \$50.8 million of construction funding receivables for the Oakwood Commons Community in October 2025. Both residences are eligible to receive construction funding subsidies over a 25-year period ending in 2050.

As at December 31, 2025, the weighted average remaining term of the construction funding is approximately 24.1 years (December 31, 2024 - 10.6 years). The following table summarizes the construction funding activity:

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As at January 1, 2024	8,771
Add: Interest income earned	269
Less: Construction funding payments received	(2,839)
As at December 31, 2024	6,201
Add: Additions	101,314
Add: Interest income earned	1,389
Less: Construction funding payments received	(3,428)
As at December 31, 2025	105,476
Less: Current portion	(3,595)
Long-term receivable	101,881

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, 2024	136,615	1,261,559	89,048	2,698	19,235	1,350	46,679	6,174	1,563,358
Additions	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
Additions ⁽²⁾	571	7,642	10,849	179	4,142	76	99,812	972	124,243
Acquisition (Note 4)	57,777	486,065	6,923	74	25	—	—	—	550,864
Fair value remeasurement of Nicola	11,800	61,537	1,000	—	—	—	—	—	74,337
Derecognition of previously held interest of Nicola (Note 4)	(6,036)	(36,967)	(3,300)	—	(43)	—	—	—	(46,346)
Disposals ⁽³⁾	(1,510)	(9,550)	—	—	—	—	—	—	(11,060)
Transfers ⁽⁴⁾	—	195,611	10,872	—	—	—	(206,483)	—	—
Construction funding receivable ⁽⁴⁾	—	(101,314)	—	—	—	—	—	—	(101,314)
At December 31, 2025	200,583	1,875,295	121,866	3,016	26,202	1,453	44,033	7,224	2,279,672
Accumulated depreciation									
At January 1, 2024	—	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
Charges for the period	—	41,446	10,869	342	2,271	37	—	824	55,789
Derecognition of previously held interest of Nicola (Note 4)	—	(8,369)	(2,700)	—	(99)	—	—	—	(11,168)
Disposals ⁽³⁾	—	(6,688)	—	—	—	—	—	—	(6,688)
At December 31, 2025	—	431,755	76,089	2,463	16,940	1,315	100	3,947	532,609
Net book value									
At December 31, 2024	137,981	866,905	27,602	642	7,310	99	150,604	3,129	1,194,272
At December 31, 2025	200,583	1,443,540	45,777	553	9,262	138	43,933	3,277	1,747,063

⁽¹⁾ Includes right-of-use building and related depreciation of \$5,183 and \$2,802, respectively (December 31, 2024 - \$4,227 and \$2,373, respectively), and the right-of-use equipment and related depreciation of \$2,041 and \$1,145, respectively (December 31, 2024 - \$2,025 and \$750, respectively).

⁽²⁾ Includes government-funded capital expenditures for the year ended December 31, 2025 of \$13,366 (2024 - \$22,436), reduced by related government funding for the year ended December 31, 2025 of \$13,366, (2024 - \$22,436).

⁽³⁾ During the year ended December 31, 2025, the Company disposed of the land and buildings at Waters Edge Care Community and Fox Ridge Care Community, within its LTC segment, for net proceeds of \$8,145. The net book value of the assets disposed of was \$4,372, resulting in a pre-tax gain on disposal of 3,773.

⁽⁴⁾ Transfers relate to completed development projects that are available for use. Construction funding receivable of \$101,314 was recognized related to completed redevelopment projects (Note 8).

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10 Intangible assets

	Indefinite life		Finite life		Total
	Licences	Resident relationships	Service contracts	Computer software	
Cost					
At January 1, 2024	192,420	437	4,490	19,772	217,119
Additions	—	—	—	2,075	2,075
Derecognition ⁽¹⁾	—	—	(4,490)	—	(4,490)
At December 31, 2024	192,420	437	—	21,847	214,704
Additions	—	—	—	1,976	1,976
Acquisition (Note 4)	—	23,088	—	—	23,088
Acquisition of Nicola (Note 4)	12,066	1,507	—	—	13,573
Derecognition of previously held interest of Nicola (Note 4)	(13,421)	(437)	—	—	(13,858)
At December 31, 2025	191,065	24,595	—	23,823	239,483
Accumulated amortization					
At January 1, 2024	1,426	—	4,490	14,003	19,919
Charges for the year	—	146	—	3,191	3,337
Derecognition ⁽¹⁾	—	—	(4,490)	—	(4,490)
At December 31, 2024	1,426	146	—	17,194	18,766
Charges for the period	—	2,438	—	1,037	3,475
Derecognition of previously held interest of Nicola (Note 4)	—	(171)	—	—	(171)
At December 31, 2025	1,426	2,413	—	18,231	22,070
Net book value					
At December 31, 2024	190,994	291	—	4,653	195,938
At December 31, 2025	189,639	22,182	—	5,592	217,413

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

11 Goodwill

	December 31, 2025	December 31, 2024
Cost and carrying value at January 1, 2025	164,903	164,903
Derecognition of previously held interest (Note 4)	(558)	—
Cost and carrying value at December 31, 2025	164,345	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, 2025 and December 31, 2024.

12 Accounts payable and other liabilities

	December 31, 2025	December 31, 2024
Accounts payable and other liabilities	63,691	61,107
Accrued wages and benefits	90,507	77,556
Accrued interest payable	7,829	6,450
Dividends payable (Note 17)	7,739	6,448
Restructuring provision	20	260
Total	169,786	151,821

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13 Long-term debt

	Interest rate	Maturity date	December 31, 2025	December 31, 2024
Series B Unsecured Debentures	3.450 %	December 22, 2025	—	175,000
Series C Unsecured Debentures	2.820 %	March 31, 2027	125,000	125,000
Series D Unsecured Debentures	4.436 %	October 17, 2029	150,000	150,000
Series E Unsecured Debentures	4.112 %	August 21, 2030	175,000	—
Series F Unsecured Debentures	3.524 %	December 18, 2028	250,000	—
Construction loans	Floating	2026-2029	14,194	30,208
Mortgages at fixed rates	1.65% - 5.80%	2026-2041	632,551	461,381
Mortgages at variable rates	Floating	2026-2029	87,922	86,620
Lease liabilities	2.58% - 3.87%	2026-2030	3,615	3,434
			1,438,282	1,031,643
Fair value adjustments on acquired debt			6,673	1,815
Less: Deferred financing costs			(19,634)	(21,113)
Total debt			1,425,321	1,012,345
Less: Current portion			(19,884)	(72,233)
			1,405,437	940,112

The following table presents the continuity of long-term debt:

	Debentures	Construction loans	Mortgages	Credit facilities	Lease liabilities	Total
As at January 1, 2024	448,751	—	529,416	24,351	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, net addition	—	—	—	—	(697)	(697)
As at December 31, 2024	448,687	30,208	530,620	(604)	3,434	1,012,345
Debt assumed on acquisitions (Note 4)	—	—	220,900	—	—	220,900
Proceeds from financing	425,000	—	5,104	40,000	—	470,104
Repayments	(175,000)	(16,014)	(46,682)	(40,000)	—	(277,696)
Deferred financing costs	(1,955)	—	(369)	(135)	—	(2,459)
Amortization of financing charges and fair value adjustments on acquired debt	610	—	1,757	275	—	2,642
Gain on remeasurement of previously held interest in joint operation (Note 4)	—	—	(696)	—	—	(696)
Amortization of lease liabilities, net additions	—	—	—	—	181	181
As at December 31, 2025	697,342	14,194	710,634	(464)	3,615	1,425,321

Principal repayments of long-term debt are as follows:

2026	22,022
2027	181,884
2028	415,685
2029	494,478
2030	35,360
Thereafter	288,853
	1,438,282

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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. On December 22, 2025, the Series B Unsecured Debentures were fully repaid and extinguished. As a result, there were no Series B Unsecured Debentures outstanding as at December 31, 2025.

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%.

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

Series E Senior Unsecured Debentures

On August 21, 2025, the Company issued \$175,000 aggregate principal amount of series E senior unsecured debentures ("**Series E Unsecured Debentures**"). The Series E Unsecured Debentures bear interest at a rate of 4.112% per annum, payable semi-annually in February and August of each year and mature on August 21, 2030.

The Series E 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 E Unsecured Debentures. Prior to August 21, 2030 (the "**Series E 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 E Unsecured Debentures to be redeemed including accrued and unpaid interest to the redemption date. On or after the Series E Par Call Date, the redemption is 100% of the principal amount outstanding of the Series E 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 0.260%.

Series F Senior Unsecured Debentures

On December 18, 2025, the Company issued \$250,000 aggregate principal amount of series F senior unsecured debentures ("**Series F Unsecured Debentures**"). The Series F Unsecured Debentures bear interest at a rate of 3.524% per annum, payable semi-annually in June and December of each year and mature on December 18, 2028.

The Series F 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 F Unsecured Debentures. Prior to December 18, 2028 (the "**Series F 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 F Unsecured Debentures to be redeemed including accrued and unpaid interest to the redemption date. On or after the Series F Par Call Date, the redemption is 100% of the principal amount outstanding of the Series F 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 0.185%.

Credit facilities

On June 16, 2025, the Company amended its \$300,000 unsecured revolving credit facility (the "**Unsecured Revolving Credit Facility**"), to extend its maturity by one year March 19, 2030. 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 and 145 bps per annum (formerly under the discontinued banker's acceptance 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 \$8,000 that matures on June 6, 2030. Borrowings under the credit facility are available by way of loans at the Canadian prime rate plus 45 bps per annum or CORRA plus credit spread adjustment plus 145 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.

Notes to the Consolidated Financial Statements

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

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

	December 31, 2025	December 31, 2024
Credit facilities available	310,500	308,500
Utilized for letters of credit (Note 28)	(689)	(689)
Remaining available balance under credit facilities	309,811	307,811

Construction loans

As at December 31, 2025, the Company had access to a non-revolving construction loan of up to \$102,500 (December 31, 2024 - \$166,626), to finance development project. Borrowings under the construction loans bear interest at either 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. As at December 31, 2025, \$14,194 (December 31, 2024 -\$30,208) was drawn.

	December 31, 2025	December 31, 2024
Opening Loan Balance	30,208	—
Construction Draws	—	30,208
Repayments	(16,014)	—
Closing Loan Balance	14,194	30,208

Mortgages

The following table summarizes the scheduled maturities of the Company's property-level mortgages as at December 31, 2025:

Year	Mortgages		Total	% of Total
	Regular Principal Repayments	Principal Due at Maturity		
2026	21,140	—	21,140	2.9%
2027	20,817	35,115	55,932	7.8%
2028	15,927	149,095	165,022	22.9%
2029	10,762	143,937	154,699	21.5%
2030	9,454	25,373	34,827	4.8%
Thereafter	45,962	242,891	288,853	40.1%
	124,062	596,411	720,473	100%

Notes to the Consolidated Financial Statements

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14 Net finance charges

	Year ended December 31,	
	2025	2024
Finance costs		
Interest expense on mortgages	26,684	24,253
Interest expense on debentures	19,003	14,859
Interest expense on construction loan	1,504	1,290
Interest expense on credit facilities	1,129	2,138
Interest expense on right-of-use assets	123	146
Amortization of financing charges and fair value adjustments on acquired debt	2,642	4,083
Net settlement receipt on interest rate swap contracts	(390)	(2,428)
Fair value loss on interest rate swap contracts	717	2,388
	51,412	46,729
Less: Interest capitalized on qualifying development projects	(5,838)	(4,327)
Net finance costs	45,574	42,402
Finance income		
Interest income on construction funding receivable	1,389	269
Other interest income	3,248	4,237
	4,637	4,506
Net finance charges	40,937	37,896

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,	
	2025	2024
Income before provision for income taxes	61,871	52,831
Canadian combined income tax rate	26.59 %	26.59 %
Income tax expense	16,451	14,048
Adjustments to income tax provision:		
Non-deductible items	763	403
Book to filing adjustment	269	(23)
Other items	(139)	—
Provision for income taxes	17,344	14,428

The following are the deferred tax assets (liabilities) recognized by the Company and movements thereon during the year ended December 31, 2025:

	Depreciable tangible and intangible assets	Share issuance	Construction funding interest	Other	Total
As at January 1, 2024	(52,111)	719	540	1,537	(49,315)
(Expenses) recovery in 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)
(Expenses) recovery in net income	(12,408)	(1,099)	(369)	3,158	(10,718)
Book to filing adjustment	76	—	—	(243)	(167)
Credit to equity	—	2,494	—	—	2,494
As at December 31, 2025	(66,645)	3,288	100	8,343	(54,914)

Notes to the Consolidated Financial Statements

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

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, 2024	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 and taxes	9,591,000	138,990
Common shares issued pursuant to the SOAR program	32,327	471
Balance, December 31, 2024	82,661,000	1,105,454
Dividend reinvestment plan	1,044,170	17,875
Long-term incentive plan, net of loans receivable	—	79
Common shares issued, net of share issuance costs and taxes	9,108,000	138,942
Common shares issued pursuant to the ATM program, net of share issuance costs	6,332,942	122,743
Common shares issued pursuant to the SOAR program	73,351	1,325
Balance, December 31, 2025	99,219,463	1,386,418

Common shares issuance

On February 27, 2025, the Company completed a bought-deal offering of 9,108,000 common shares of the Company at a price of \$15.80 per common share for aggregate gross proceeds of \$143,906. Issuance costs of \$4,964, net of taxes of \$1,699 (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 had the authority to acquire up to a maximum of 3,649,974 of its common shares for cancellation over the next 12 months. The NCIB expired on June 19, 2025.

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

Dividend reinvestment plan

On November 11, 2024, the Company reinstated its 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.

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, 2025.

At-The-Market Equity Distribution Program

On May 6, 2025, Sienna established an ATM Program, which allowed the Company from time to time during favourable market conditions to issue up to \$125 million of common shares to raise equity to fund its growth. As at December 31, 2025, 6,332,942 shares have been issued at an average share price of \$19.73 for aggregate gross proceeds of \$124,960. Issuance costs of \$2,217, net of taxes of \$795 (Note 15), were recorded against shareholders' equity.

Notes to the Consolidated Financial Statements

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

17 Dividends

For the year ended December 31, 2025, the Company paid monthly dividends of \$0.078 per common share totaling \$85,395 (2024 - \$71,311), which includes non-cash DRIP of \$17,875 (2024 - \$1,126). Dividends payable of \$7,739 are included in accounts payable and other liabilities as at December 31, 2025 (December 31, 2024 - \$6,448). Subsequent to December 31, 2025, the Board of Directors declared dividends of \$0.078 per common share for January 2026 and February 2026 totaling \$15,478.

18 Share-based compensation

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

Restricted Share Unit plan ("RSUP")

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, 2025 were \$7,484 (2024 - \$5,499), including mark-to-market adjustments and net of forfeitures, which were recognized in administrative expenses. During the year ended December 31, 2025, 143,797 RSUs vested (2024 - 84,325) and were settled in cash, resulting in a decrease of \$2,804 to the share-based compensation liability (2024 - \$1,117). The total liability recorded as part of the share-based compensation liability as at December 31, 2025 was \$11,497 (December 31, 2024 - \$6,817).

Notes to the Consolidated Financial Statements

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 RSUs granted is as follows:

	Number of RSUs
Outstanding, January 1, 2024	453,138
Granted	236,455
Forfeited	(49,885)
Dividends reinvested & forfeiture	37,509
Settled in cash	(84,325)
Outstanding, December 31, 2024	592,892
Granted	203,946
Forfeited	(41,364)
Dividends reinvested & forfeiture	31,013
Settled in cash	(143,797)
Outstanding, December 31, 2025	642,690

Deferred Share Unit plan ("DSUP")

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, 2025 were \$1,669, respectively (2024 - \$1,440), including mark-to-market adjustments, which were recognized in administrative expenses. During the year ended December 31, 2025, no DSUs vested (2024 - 54,610) and were settled in cash, resulting in no reduction to share-based compensation liability (2024 - a decrease of \$875). The total liability recorded related to the DSUP as a part of the share-based compensation liability as at December 31, 2025 was \$4,286 (December 31, 2024 - \$2,617). 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.

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

	Number of DSUs
Outstanding, January 1, 2024	178,591
Granted	32,107
Dividends reinvested & forfeiture	11,438
Settled in cash	(54,610)
Outstanding, December 31, 2024	167,526
Granted	32,114
Dividends reinvested & forfeiture	10,135
Outstanding, December 31, 2025	209,775

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Executive Deferred Share Unit plan ("EDSUP")

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.

Total expenses related to the EDSUP for the year ended December 31, 2025 were 1,118 (2024 - \$867), including mark-to-market adjustments, which were recognized in administrative expenses. During the year ended December 31, 2025, no executive deferred share unit ("**EDSU**") vested (2024 - 4,193) and settled in cash, resulting in no reduction to share-based compensation liability (2024 - a decrease of \$56). The total liability recorded related to the EDSUP as a part of the share-based compensation liability as at December 31, 2025 was \$3,087 (December 31, 2024 - \$1,969). 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, 2024	133,386
Forfeited	(662)
Dividends reinvested & forfeiture	8,082
Settled in cash	(4,193)
Outstanding, December 31, 2024	136,613
Granted	13,369
Forfeited	(6,145)
Dividends reinvested & forfeiture	5,338
Outstanding, December 31, 2025	149,175

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, 2025 of \$3,165 (2024 - \$2,558) and mark-to-market expense on share-based compensation liability for the year ended December 31, 2025 of \$6,485 (2024 - \$3,850).

Notes to the Consolidated Financial Statements

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

19 Employee salaries and benefits

Payroll costs for all employees, including key management, for continuing operations consist of:

	Year ended December 31,	
	2025	2024
Salaries and short-term employee benefits	621,594	521,869
Group retirement savings plan	12,312	10,484
Termination benefits	1,611	1,853
Share-based compensation expense	7,106	5,248
	642,623	539,454

20 Key management compensation

The remuneration of key management is set out in aggregate for each of the categories below:

	Year ended December 31,	
	2025	2024
Salaries and short-term employee benefits	6,524	6,528
Share-based compensation expense	5,920	4,276
	12,444	10,804

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, 2025 was \$1,313 (December 31, 2024 - \$1,330).

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. 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, 2025, the Company received approximately \$602,092 (2024 - \$585,201) in funding.

Approximately 78%, 69% and 66% (2024 - 84%, 74% and nil) of revenue from the Company's Ontario, British Columbia and Alberta LTC residences, respectively, is received from the applicable health authorities. The rest of the LTC segment's revenue is received from resident co-payments.

Notes to the Consolidated Financial Statements

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23 Administrative expenses

	Year ended December 31,	
	2025	2024
General and administrative expenses	31,037	29,135
SOAR program	1,325	471
Restructuring (recovery) expense	(180)	200
Share-based compensation expense	7,106	5,248
Total administrative expenses	39,288	35,054

24 Expenses and other items by category

	Year ended December 31,	
	2025	2024
Salaries, benefits and people costs	635,517	534,206
Depreciation and amortization	59,264	51,104
Food	44,233	38,501
Purchased services and non-medical supplies	31,683	33,368
Property taxes	16,682	14,887
Utilities	22,873	19,107
Share of net (income) loss in joint ventures	(1,959)	9,585
Net finance charges	40,937	37,896
Share-based compensation expense	7,106	5,248
Transaction costs	16,584	2,674
Restructuring costs	(180)	200
Gain on remeasurement of previously held interest in joint operation	(12,596)	—
Gain on disposal of property and equipment	(3,773)	—
SOAR program	1,325	471
Other ⁽¹⁾	85,370	93,080
Total expenses and other items	943,066	840,327

⁽¹⁾ Other expenses primarily relates to medical costs, professional fees, information technology costs, insurance, maintenance and equipment.

Notes to the Consolidated Financial Statements

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

25 Subsidiaries

The following are the material subsidiaries of the Company, all of which are included in these consolidated financial statements:

Name	Country of incorporation	Percentage of ownership interest	
		December 31, 2025	December 31, 2024
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 %
Sienna-LaSalle LP (Ontario)	Canada	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 46 retirement residences, of which 5 are located in Saskatchewan, 4 are located in British Columbia and 37 are located in Ontario, and the retirement residences management services business;
- LTC - this segment consists of 35 LTC residences located in Ontario, 8 seniors' living residences located in British Columbia, 4 seniors' living residences located in Alberta, 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.

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

26 Segmented information (continued):

	Year ended December 31, 2025				
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Ventures ⁽⁴⁾	Total
Gross revenue	258,843	802,694	87,695	(40,659)	1,108,573
Less: Internal revenue	—	(15,941)	(87,695)	—	(103,636)
Net revenue	258,843	786,753	—	(40,659)	1,004,937
Operating expense	160,125	671,773	—	(26,577)	805,321
Depreciation and amortization	36,827	28,692	3,830	(10,085)	59,264
Administrative expenses	—	—	39,288	—	39,288
Share of net income in joint ventures	—	—	—	(1,959)	(1,959)
Finance costs	22,368	8,745	16,572	(2,111)	45,574
Finance income	(30)	(1,541)	(3,088)	22	(4,637)
Transaction costs	8,633	3,469	4,431	51	16,584
Gain on disposal of property and equipment (Note 9)	—	(3,773)	—	—	(3,773)
Gain on remeasurement of previously held interest in joint operation (Note 4)	—	(12,596)	—	—	(12,596)
Provision for income taxes	—	—	17,344	—	17,344
Net income (loss)	30,920	91,984	(78,377)	—	44,527
Additions to property and equipment ^{(2) (3)}	442,681	265,654	5,931	—	714,266
Additions to intangible assets ⁽³⁾	18,688	4,297	1,965	—	24,950

⁽¹⁾ For the year ended December 31, 2025, the Retirement segment recognized accommodation revenues of \$119,652 and service revenues of \$139,191.

⁽²⁾ Includes government-funded capital expenditures for the year ended December 31, 2025 of \$13,366.

⁽³⁾ Includes additions related to acquisitions, net of derecognition of previously held interest in Nicola (see Note 4).

⁽⁴⁾ 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

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

26 Segmented information (continued):

	Year ended December 31, 2024				
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Ventures ⁽³⁾	Total
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	143,320	586,985	—	(26,291)	704,014
Depreciation and amortization	39,489	23,678	5,365	(17,428)	51,104
Administrative expenses	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
Additions to 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 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.

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

26 Segmented information (continued):

	As at December 31, 2025				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total assets	1,292,943	1,185,231	111,251	(52,467)	2,536,958

	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

⁽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, 2025				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total liabilities	537,680	540,510	791,709	(52,467)	1,817,432

	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

⁽¹⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the consolidated financial statements.

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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, 2025:

Joint Arrangements	Number of properties	Sienna ownership	Joint arrangement type	Accounting treatment	Investment in joint venture balance as at December 31, 2025	Share of net income (loss) from joint venture for the year ended December 31, 2025
Sienna-RSH Niagara Falls LP	1	70%	Joint venture	Equity	4,449	(917)
Sienna-Sabra LP	12	50%	Joint venture	Equity	120,386	2,877
Glenmore Lodge Community	1	77.2%	Joint operation	Proportionate	N/A	N/A
LaSalle Park Retirement Community	1	78.2%	Joint operation	Proportionate	N/A	N/A
Other	N/A	50%	Joint venture	Equity	199	(1)
Total					125,034	1,959

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, 2024	5,887
Contributions to joint venture	1,445
Share of net loss in joint venture	(2,666)
Investment in joint venture as at January 1, 2025	4,666
Contributions to joint venture	700
Share of net loss in joint venture	(917)
Investment in joint venture as at December 31, 2025	4,449

Statements of Financial Position of Joint Venture	December 31, 2025	December 31, 2024
Current assets	472	266
Long-term assets	46,230	47,248
Total assets	46,702	47,514
Current liabilities	1,369	1,872
Long-term liabilities	38,978	38,976
Total liabilities	40,347	40,848
Net assets	6,355	6,666
Sienna's share of net investment in joint venture (70%)	4,449	4,666

Notes to the Consolidated Financial Statements

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

Statements of Net Income of Joint Venture	Year ended December 31,	
	2025	2024
Revenue	6,276	3,007
Expenses and other items		
Operating expenses	4,733	3,524
Depreciation and amortization	828	811
Net finance charges	2,025	2,480
	7,586	6,815
Net loss	(1,310)	(3,808)
Sienna's share of net loss in joint venture (70%)	(917)	(2,666)

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, 2024	139,777
Distributions received from joint venture	(5,749)
Share of net loss in joint venture	(6,919)
Investment in joint venture as at January 1, 2025	127,109
Distributions received from joint venture	(9,600)
Share of net income in joint venture	2,877
Investment in joint venture as at December 31, 2025	120,386

Statements of Financial Position of Joint Venture	December 31, 2025	December 31, 2024
Current assets	11,397	11,013
Long-term assets	277,814	293,483
Total assets	289,211	304,496
Current liabilities	7,383	7,411
Long-term liabilities	41,057	42,868
Total liabilities	48,440	50,279
Net assets	240,771	254,217
Sienna's share of net investment in joint venture (50%)	120,386	127,109

Statements of Net Income of Joint Venture	Year ended December 31,	
	2025	2024
Revenue	72,366	69,295
Expenses and other items		
Operating expenses	46,362	47,648
Depreciation and amortization	19,008	33,720
Net finance charges	1,341	1,421
Transaction costs	(99)	343
	66,612	83,132
Net income (loss)	5,754	(13,837)
Sienna's share of net income (loss) in joint venture (50%)	2,877	(6,919)

Notes to the Consolidated Financial Statements

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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 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, 2025 - \$375 (December 31, 2024 - \$295) of the Company's accounts receivable related to its investments in joint ventures. For the year ended December 31, 2025 - \$1,449 (2024 - \$1,419) of the Company's management fees related to its investment in joint ventures.

Joint operations

Sienna Baltic Development LP

On September 14, 2023, the Company entered into an agreement to acquire the remaining 60% interest in Nicola Lodge through two closings. The first closing, which occurred on December 31, 2023, resulted in the acquisition of a 30% interest. On February 28, 2025, the Company acquired all remaining interests, increasing from 70% to 100% and obtained control. This resulted in Nicola Lodge no longer being a joint operation (refer to Note 4).

As at December 31, 2024, the Company's share of net assets of Nicola Lodge was \$22,298. For the two months of January and February 2025, the Company's share of net income in Nicola Lodge was \$220 (For the year ended December 31, 2024 - \$2,174).

The Company's joint arrangement in Glenmore Lodge Community ("**Glenmore Lodge**") is a joint operation, since the parties that have joint control of the arrangements have right to the assets, and obligations for the liabilities of Glenmore Lodge.

The following tables outline the net assets and net income for Nicola Lodge (prior to being wholly owned) and Glenmore Lodge. The Company's share of Nicola Lodge was 70% prior to the Step-up Acquisition and 77% of Glenmore Lodge. Both have been recognized in the consolidated financial statements.

Statements of Financial Position of Joint Operation	December 31, 2025	December 31, 2024 ⁽¹⁾
Current assets	3,855	10,492
Long-term assets	28,452	99,943
Total assets	32,307	110,435
Current liabilities	5,112	12,988
Long-term liabilities	18,776	57,141
Total liabilities	23,888	70,129
Net assets	8,419	40,306
Sienna's share of net assets	6,503	28,827

⁽¹⁾ Includes results the Company's share in Nicola Lodge at 70% prior to the Step-up Acquisition.

As at December 31, 2025, the Company's share of net assets in Glenmore Lodge was \$6,503 (December 31, 2024 - \$6,529).

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

Statements of Net Income of Joint Operations	Year ended December 31,	
	2025 ⁽¹⁾	2024 ⁽²⁾
Revenue	18,105	45,469
Expenses and other items		
Operating, net	14,577	33,850
Depreciation and amortization	1,091	3,241
Net finance charges	1,099	2,443
Transaction costs	9	—
Net income	1,329	5,935
Sienna's share of net income	1,005	4,360

⁽¹⁾ Includes results of Nicola Lodge for the two months ended February 28, 2025 at 70% ownership.

⁽²⁾ Includes results of Nicola Lodge for the twelve months ended December 31, 2024 at 70% ownership.

For the year ended December 31, 2025, the Company's share of net income in Glenmore Lodge is \$785, (December 31, 2024 - \$2,186).

Sienna LaSalle LP

On December 18, 2025, the Company completed its acquisition of a 78.2% interest in LaSalle Park (note 4). Pursuant to the purchase agreement, the Company acquired an additional 10.9% interest on February 1, 2026 (Note 29) for a purchase price of \$9.4 million, and has also committed to acquire the remaining 10.9% interest in LaSalle Park within 5 years of initial closing date.

The Company's joint arrangement in LaSalle Park is accounted for as a joint operation, since the parties that have joint control of the arrangements have right to the assets and obligations for the liabilities of LaSalle Park.

The following tables outline the net assets and net income for LaSalle Park. The Company's 78.2% share of LaSalle Park has been recognized in the consolidated financial statements.

Statements of Financial Position of Joint Operation	December 31, 2025
Current assets	105
Long-term assets	85,600
Total assets	85,705
Current liabilities	524
Long-term liabilities	34,184
Total liabilities	34,708
Net assets	50,997
Sienna's share of net assets	39,869

Statements of Net Income of Joint Operation	Year ended December 31, 2025
Revenue	423
Expenses and other items	
Operating expenses	183
Net finance charges	58
Net income	182
Sienna's share of net income	142

Notes to the Consolidated Financial Statements

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

28 Commitments and contingencies

Contractual commitments

On May 21, 2025, the Company extended its Markham corporate office lease by one year to October 31, 2030, and agreed to lease an additional 7,500 square feet for five years, commencing on November 1, 2025.

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

Below table presents the undiscounted future lease payments as at December 31, 2025:

	Total ⁽¹⁾
2026	1,771
2027	1,797
2028	1,474
2029	1,373
2030	1,172
	7,587

(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.

Acquisition of Additional Interest in LaSalle Park

The Company committed to acquire an additional 10.9% interest in LaSalle Park in January 2026, which has been completed, and the remaining 10.9% interest within five years of the initial closing date. The purchase price for the remaining interest will be equal to the fair market value of the underlying purchased assets at the time of the transaction, as determined in accordance with a valuation process to be agreed by the parties following the second closing, including a dispute resolution mechanism.

Letters of Credit

As at December 31, 2025, the Company was contingently liable for letters of credit in the amount of \$1,109 December 31, 2024 - \$1,281, including its proportionate share of \$420 (December 31, 2024 - \$592) issued jointly with its Equity-Accounted Joint Ventures.

Legal Proceedings

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, 2025 and 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 external sector employer. 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, 2025 and December 31, 2024.

29 Subsequent Events

Acquisition of 22.8% Interest in Glenmore Lodge Care Community

On January 31, 2026, the Company completed its acquisition of the remaining 22.8% interest in Glenmore Lodge at a purchase price of \$10.1 million, subject to customary closing adjustments. With this transaction, the Company's ownership interest in Glenmore Lodge increased to 100%.

The acquisition was financed through available cash on hand as well as the assumption of the remaining 22.8% of the existing property-level mortgages of approximately \$4.3 million, bearing an interest at a rate of 4.68% and maturing in 2032.

Given the timing of the transaction, the Company is in the process of finalizing the purchase price allocation and expects to disclose it in the Company's first quarter 2026 condensed interim consolidated financial statements.

Acquisition of Additional 10.9% Interest in LaSalle Park Retirement Residence (the "Second Tranche")

On February 1, 2026, the Company acquired an additional 10.9% interest at an aggregate purchase price equal to \$9.4 million. The purchase price will be financed through available cash on hand as well as the assumption of 10.9% of the existing property-level mortgage of approximately \$3.7 million. Following the completion of the Second Tranche, the Company's interest in LaSalle Park increased to 89.1%. Management of the property will remain with a third party for a period of five years.

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Acquisition The Bartlett Senior Living ("The Bartlett")

On February 13, 2026, the Company entered into a purchase agreement to acquire The Bartlett, a 129-suite independent living retirement residence in Oshawa, Ontario, for a gross purchase price of \$59.4 million, subject to certain customary adjustments.

The acquisition will be financed through available cash on hand. The transaction is subject to transaction approvals and customary closing conditions, and is expected to close in within 60 days.

ATM Program Renewal

On February 19, 2026, the Board of Directors approved the renewal of the ATM program. The Program will allow the Company to issue up to \$150 million of shares at its discretion during the term of the ATM Program to provide the Company with additional financing flexibility to finance its growth initiatives and for general corporate purposes.