

Report to Shareholders

Q3 2024 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

The third quarter of 2024 has been one of considerable progress and continued success for our company. Our operating results further strengthened year over year for the seventh consecutive quarter, our recent initiatives to raise capital have been met with overwhelming demand by investors, and we continued to grow our portfolio through our development program and the acquisition of four continuing care communities in Alberta.

These achievements did not happen by chance—they are the direct result of our ongoing initiatives to improve our operating platforms, strengthen team engagement, and deliver on our growth strategies. Our team members are a key driver of our organizational strength, and as shareholders of the company, they are deeply aligned with Sienna's success.

Building on Growth Momentum

Q3 2024 highlights Sienna's sustained growth path across both lines of our business with adjusted same property net operating income ("NOI") increasing by over 18% in our long-term care segments and by 11% in our retirement segment.

Our long-term care homes are fully occupied with growing wait lists in addition to benefiting from a significant annual government funding increase in Ontario to offset inflation in recent years. At our retirement operations, strong demand and limited new supply in our key markets, combined with effective marketing and sales strategies, continued to support occupancy growth.

Year over year, same property occupancy in our retirement segment increased by 250 basis points in the third quarter of 2024, exceeding 90% for the first time in over five years in September. This marks a critical milestone in our path towards stabilized occupancy of 95%.

Successfully Accessing the Capital Markets

Sienna has been highly engaged in the capital markets in recent months and successfully completed several key financing initiatives that further strengthened our position for future growth. In August, we raised \$144 million of equity at \$15 per share, followed by the issuance of \$150 million of unsecured debentures. These financings are supporting our growth through developments and acquisitions, and helped refinance Sienna's \$150 million Series A unsecured debentures, which matured on November 4, 2024.

Both the equity and debt financings were met with high demand, highlighting the increasing interest of investors in the senior living sector and its strong fundamentals, and their confidence in Sienna's long-term strategy and ability to deliver sustainable value.

Expansion into Alberta with Portfolio Acquisition

The continued improvements of Sienna's operating results and our ability to access the equity markets paved the way for Sienna's acquisition of four continuing care homes in Alberta, expected to be finalized in early 2025. The portfolio consists of 540 suites located in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat, and will be acquired for an aggregate purchase price of \$181.6 million. The four properties are strategically located in vibrant, growing communities and benefit from favourable supply/demand fundamentals in their respective markets.

As Sienna's first acquisition in Alberta, it not only provides immediate scale, but also establishes a platform for further expansion opportunities in a highly desirable growth market in Canada. Expanding in Alberta will further enhance the size, quality and geographic reach of our operating platform and is an important step in executing our growth strategy.

Ontario Developments Progressing Well

In addition to growing through acquisitions, we are progressing well with our development projects in Ontario. We are on track to complete our long-term care and campus of care projects in North Bay and Brantford next year, and started construction at our newest long-term care redevelopment project in Keswick in October. These three projects will help address the significant shortage of long-term care beds, a key priority of the Ontario government, by adding 480 new beds, replacing 330 older Class C beds, in addition to developing 147 retirement suites. The total development cost of the three projects with an expected average development yield exceeding 8% is over \$300 million.

Optimistic Outlook Driven by Strong Senior Living Fundamentals

Canadian senior living is driven by an unprecedented demographic shift and the rapid growth of the senior population. At the same time, new supply of senior living residences remains limited. This long-term trend not only supports our growth strategy but also reinforces the important role we play in the communities we serve and the lives of residents, families and team members we touch every day.

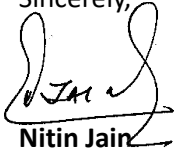
As we continue to expand our operating platform, we will stay focused on elevating the resident experience and deepening team member engagement. We are proud of our recent team member engagement results, making 2024 the fourth consecutive year of improvements. It emphasizes the meaningful impact of our initiatives to create a more connected and fulfilling workplace, drive alignment through our share ownership program, and cultivate happiness in daily.

Together with our well capitalized balance sheet, our disciplined approach to growing our revenue streams, and a robust pipeline of future growth opportunities, we are well positioned to seize the favorable market dynamics in Canadian senior living.

However, we are not taking our success for granted. We are deeply committed to making continued improvements to our operations, building strong leadership teams as we grow our company, and remaining prudent stewards of our capital.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Nitin Jain', with a stylized flourish at the end.

Nitin Jain

President and Chief Executive Officer

Sienna Senior Living

Management's Discussion and Analysis

Q3 2024 Sienna Senior Living Inc.



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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 and nine months ended September 30, 2024. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements ("**interim consolidated financial statements**") for the three and nine months ended September 30, 2024. This material is available on the Company's website at www.siennaliving.ca. Additional information about the Company, including its most current Annual Information Form ("**AIF**") can be found on the System for Electronic Document Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca.

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

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

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

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

Additional Information

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

Review and Approval by the Board of Directors

This MD&A is dated as of November 11, 2024, the date this report was approved by the Board of Directors of the Company, and is based on information available to management of the Company as of that date.

Company Profile

The Company and its predecessors have been operating since 1972. The Company is a senior living provider serving the continuum of independent living ("IL"), independent supportive living ("ISL"), assisted living ("AL"), memory care ("MC") and long-term care ("LTC" or "Long-term Care") through the ownership and operation of senior living residences in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario. As at September 30, 2024, the Company owns and operates a total of 82 senior living residences: 40 retirement residences ("RRs" or "Retirement Residences") (including the Company's 50% joint venture interest in 12 residences in Ontario and Saskatchewan, and 70% joint venture interest in one residence in Ontario); 34 LTC communities; and eight senior living residences providing both private-pay IL/AL and funded LTC (including the Company's joint ownership in two residences in British Columbia). The Company also provides management services to an additional 12 senior living residences in the Provinces of British Columbia, Ontario and Alberta.

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

Owned Residences	Retirement		Long-term Care		Total ⁽¹⁾	
	Residences	Suites	Residences	Beds ⁽²⁾	Residences	Beds / Suites
100% Owned - operating	27	3,207	40	6,198	67	9,405
Partially Owned - operating ⁽³⁾	13	1,367	2	374	15	1,741
Total Owned	40	4,574	42	6,572	82	11,146
Managed Residences	9	826	3	526	12	1,352
Total	49	5,400	45	7,098	94	12,498

Notes:

- 79.9%, 15.5%, 4.0% and 0.6% of total beds/suites are located in Ontario, British Columbia, Saskatchewan and Alberta, respectively.
- 180 of the LTC beds are privately funded.
- We have a 50% ownership in 12 retirement residences (1,217 suites), a 70% ownership in one retirement residence (150 beds), a 70% ownership in one long-term care community (256 beds) and a 77% ownership in one long-term care community (118 beds) as at September 30, 2024.

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

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

As at November 11, 2024, the Company had 82,590,493 common shares outstanding.

Non-IFRS Performance Measures

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

terms are defined in the following table and reconciliations to the most comparable IFRS measures are referenced, as applicable.

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

These Key Performance Indicators and Non-IFRS Measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS 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-IFRS Measure	Definition	Reconciliation
Total Adjusted Revenue	Total Adjusted Revenue is defined as revenue, including the Company's share of revenue in Equity-Accounted Joint Ventures (as defined below) on a proportionate consolidated basis.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Total Adjusted Operating Expenses	Total Adjusted Operating Expenses is defined as operating expenses, including the Company's share of operating expenses in Equity-Accounted Joint Ventures (as defined below) on a proportionate consolidated basis.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Equity-Accounted Joint Ventures	Equity-Accounted Joint Ventures is defined as the Company's interest in Sienna-RSH Niagara Falls LP and Sienna-Sabra LP joint ventures.	N/A
Net Operating Income ("NOI")	NOI is defined as property revenue net of property operating expenses. The Company believes that NOI is a useful additional measure of operating performance as it provides a measure of core operations that is calculated prior to taking into account depreciation, amortization, administrative expenses, impairment loss, net finance charges, transaction costs, gain (loss) on disposal of properties and income taxes.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI

Non-IFRS Measure	Definition	Reconciliation
Adjusted Net Operating Income ("Adjusted NOI")	Adjusted Net Operating Income is defined as NOI, including the Company's share of the NOI from Equity-Accounted Joint Ventures.	Section - Adjusted Revenue, Adjusted Operating Expenses, and Adjusted NOI
Funds from Operations ("FFO")	FFO is defined as adjusted NOI less certain adjustments including administrative expenses, net finance charges, current income taxes and SOAR program. FFO is a recognized earnings measure that is widely used by public real estate entities, particularly by those entities that own and/or operate income-producing properties. The use of FFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the Company's operating results. The IFRS measure most directly comparable to FFO is "net income".	Section - Business Performance - Adjusted Funds from Operations
Operating Funds from Operations ("OFFO") and OFFO per Share	OFFO is FFO adjusted for non-recurring items, which includes restructuring costs, and presents net finance charges on a cash interest basis. Management of the Company is of the view that OFFO is a relevant measure of the operating performance of the Company.	Section - Business Performance - Adjusted Funds from Operations
Adjusted Funds from Operations ("AFFO") and AFFO per share	AFFO is defined as OFFO plus the principal portion of construction funding received, less actual maintenance capital expenditures. Management of the Company believes AFFO is a cash flow measure, which is relevant in understanding the Company's ability to earn cash and pay dividends to shareholders. The IFRS measure most directly comparable to AFFO is "cash flow from operating activities".	Section - Business Performance - Reconciliation of Cash Flow from Operations to Adjusted Funds from Operations, and Section - Business Performance - Adjusted Funds from Operations
Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")	EBITDA is defined as net income excluding net finance charges, taxes, transaction costs, depreciation and amortization, impairment loss, and including the Company's share of NOI in the Equity-Accounted Joint Ventures. EBITDA is relevant in understanding the Company's ability to service its debt, finance capital expenditures and pay dividends to shareholders. The IFRS measure most directly comparable to EBITDA is "net income".	Section - Liquidity and Capital Resources - Financial Covenants

Non-IFRS Measure	Definition	Reconciliation
Adjusted EBITDA	Adjusted EBITDA is defined as EBITDA, adjusted for construction funding proceeds and non-recurring items, including SOAR program.	Section - Liquidity and Capital Resources - Financial Covenants
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.	N/A
Occupancy	Occupancy is a key driver of the Company's revenues.	N/A ⁽¹⁾
AFFO Payout Ratio	Management of the Company monitors the AFFO payout ratio, which is calculated by dividing dividends declared over AFFO.	N/A ⁽¹⁾
Debt to Adjusted Gross Book Value	This ratio is calculated by dividing total debt (including the Company's share of debt in Equity-Accounted Joint Ventures) over Adjusted Gross Book Value. In conjunction with the debt service coverage ratio, management of the Company monitors this ratio to ensure compliance with certain financial covenants.	N/A ⁽¹⁾
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.	N/A ⁽¹⁾
Debt to Adjusted EBITDA Ratio	This ratio is calculated by dividing total debt (including the Company's share of debt in Equity-Accounted Joint Ventures), over Adjusted EBITDA.	N/A ⁽¹⁾

Non-IFRS Measure	Definition	Reconciliation
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.	N/A ⁽¹⁾
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.	N/A ⁽¹⁾
Weighted Average Term to Maturity	<p>This ratio is calculated by totaling the weighted average number of remaining years for mortgages.</p> <p>This indicator is used by management of the Company to monitor its debt maturities.</p>	N/A ⁽¹⁾
Same Property	Measures with "same property" 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 acquired properties owned for less than one year, assets undergoing new development, redevelopment, assets held for sale or that were sold, properties closing or closed. Properties undergoing new development or redevelopment are considered "same property" once they are operating at stabilized occupancy levels.	N/A ⁽¹⁾

Non-IFRS Measure	Definition	Reconciliation
Acquisitions, Development and Other	The acquisitions, development and other portfolio includes properties that were acquired less than one year ago, development properties that are in lease-up, and assets held for sale or that were sold, properties closing or closed. Development properties are moved to same property at the earlier of three years since completion or upon achieving stabilized occupancy levels.	N/A ⁽¹⁾
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.	N/A

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

Key Performance Indicators

The following table represents the Key Performance Indicators for the periods ended September 30:

Thousands of Canadian dollars, except occupancy, share and ratio data	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
OCCUPANCY						
Retirement - Average same property ⁽¹⁾	89.6 %	87.1 %	2.5 %	88.8 %	87.2 %	1.6 %
Retirement - Acquisition, Development and Others - Average occupancy ⁽²⁾	38.9 %	-	38.9 %	28.5 %	-	28.5 %
Retirement - Average total occupancy	88.2 %	87.1 %	1.1 %	87.3 %	87.2 %	0.1 %
LTC - Average private occupancy	96.5 %	93.8 %	2.7 %	96.9 %	91.5 %	5.4 %
LTC - Average total occupancy ⁽³⁾	98.4 %	98.1 %	0.3 %	98.1 %	97.5 %	0.6 %
FINANCIAL						
Total Adjusted Revenue ⁽⁴⁾	224,775	199,840	24,935	683,646	597,794	85,852
Total Adjusted Operating Expenses, net ⁽⁴⁾	181,326	162,003	19,323	530,698	484,743	45,955
Total Adjusted Same Property NOI ⁽⁵⁾	43,412	37,837	5,575	153,401	113,051	40,350
Total Adjusted NOI ⁽⁷⁾⁽⁸⁾	43,449	37,837	5,612	152,948	113,051	39,897
Administrative expenses	8,257	6,260	1,997	26,283	21,920	4,363
Adjusted EBITDA ⁽⁶⁾	35,908	31,868	4,040	129,513	95,704	33,809
Net income	4,728	2,479	2,249	30,543	6,606	23,937
OFFO ⁽⁷⁾⁽⁹⁾	23,877	20,069	3,808	86,687	59,959	26,728
AFFO ⁽⁷⁾⁽⁹⁾	20,351	19,612	739	78,137	57,381	20,756
Dividends declared	18,578	17,074	1,504	52,732	51,214	1,518
AFFO Payout ratio ⁽¹⁰⁾	91.3 %	87.1 %	4.2 %	67.5 %	89.3 %	(21.8)%
Total assets	1,909,523	1,681,167	228,356	1,909,523	1,681,167	228,356
PER SHARE INFORMATION						
Net income per share, basic and diluted	0.060	0.030	0.030	0.410	0.090	0.320
OFFO per share ⁽⁷⁾⁽⁹⁾	0.312	0.275	0.037	1.169	0.822	0.347
AFFO per share ⁽⁷⁾⁽⁹⁾	0.266	0.269	(0.003)	1.053	0.787	0.266
Dividends per share	0.234	0.234	—	0.702	0.702	—
FINANCIAL RATIOS						
Debt to Adjusted Gross Book Value as at period end	42.3 %	44.4 %	(2.1)%	42.3 %	44.4 %	(2.1)%
Weighted Average Cost of Debt as at period end	3.7 %	3.6 %	0.1 %	3.7 %	3.6 %	0.1 %
Debt to Adjusted EBITDA as at period end ⁽¹¹⁾	7.0	8.3	(1.3)	7.0	8.3	(1.3)
Interest Coverage Ratio	3.4	3.3	0.1	4.2	3.4	0.8
Debt Service Coverage Ratio	1.9	2.0	(0.1)	2.5	1.9	0.6
Weighted Average Term to Maturity as at period end	6.2	5.7	0.5	6.2	5.7	0.5
CHANGE IN TOTAL ADJUSTED SAME PROPERTY NOI						
Retirement			11.0 %			7.9 %
LTC ⁽¹²⁾			18.3 %			61.6 %
Total ⁽¹²⁾			14.7 %			35.7 %

Notes:

1. Effective January 1, 2024, the results of Woods Park were reclassified from "acquisitions" to "same property".
2. Includes recently completed retirement residence in Niagara Falls, effective January 24, 2024, which is currently in the process of being leased.
3. Excludes the 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.
4. Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.
5. Total adjusted same property NOI, previously described as "Total same property NOI", for the nine months ended September 30, 2024 includes a \$27,010 of government funding ("**One-Time & Retroactive Funding**") comprising one-time funding in Ontario of \$13,419 (\$10,064 relates to 2023 and \$3,355 relates to 2024) and retroactive funding from British Columbia of \$13,591. Excluding One-Time & Retroactive Funding of \$23,655 related to prior years, total adjusted same property NOI for the nine months ended September 30, 2024 would be \$129,746. Refer to "Net Operating Income" section of the MD&A.
6. Adjusted EBITDA for the nine months ended September 30, 2024 increased by \$33,809 to \$129,513, compared to same period in 2023, primarily due to higher Adjusted NOI, including a One-Time & Retroactive Funding of \$27,010. Excluding the One-Time & Retroactive Funding relating to prior years of \$23,655, Adjusted EBITDA would be \$105,858.
7. Includes the Company's share of each of the revenue, operating expenses, and NOI of its Equity-Accounted Joint Ventures.
8. Total Adjusted NOI, previously described as "Total NOI", for the nine months ended September 30, 2024 includes a \$27,010 of One-Time & Retroactive Funding. Excluding One-Time & Retroactive Funding of \$23,655 related to prior years, Total Adjusted NOI for the nine months ended September 30, 2024 would be \$129,293. Refer to "Net Operating Income" section of the MD&A.
9. OFFO and AFFO for the nine months ended September 30, 2024 include a \$17,365 One-Time & Retroactive Funding relating to prior years (\$23,655 net of taxes of \$6,290). Excluding the One-Time & Retroactive Funding relating to prior years, OFFO and AFFO would be \$69,322 and \$60,772, respectively. OFFO and AFFO per share would be 0.935 and 0.819, respectively.
10. AFFO payout ratio for the nine months ended September 30, 2024 includes a \$17,365 One-Time & Retroactive Funding relating to prior years (\$23,655 net of taxes of \$6,290). Excluding the One-Time & Retroactive Funding relating to prior years, the AFFO payout ratio would be 86.8%
11. Debt to Adjusted EBITDA as at period end of 7.0 includes a One-Time & Retroactive Funding of \$27,010. Excluding the One-Time & Retroactive Funding of \$23,655 related to prior years, the Debt to Adjusted EBITDA would be 8.2.
12. LTC NOI for the nine months ended September 30, 2024 includes a \$27,010 of One-Time & Retroactive Funding. Excluding One-Time & Retroactive Funding of \$23,655 related to prior years, LTC same property NOI for the nine months ended September 30, 2024 would have increased by 21.2% compared to the same period in prior year. Excluding the one-time revenue impact as discussed above, for the nine months ended September 30, 2024, consolidated total adjusted same property NOI would have increased by 14.8%, compared to the same period in 2023.

Third Quarter 2024 Summary

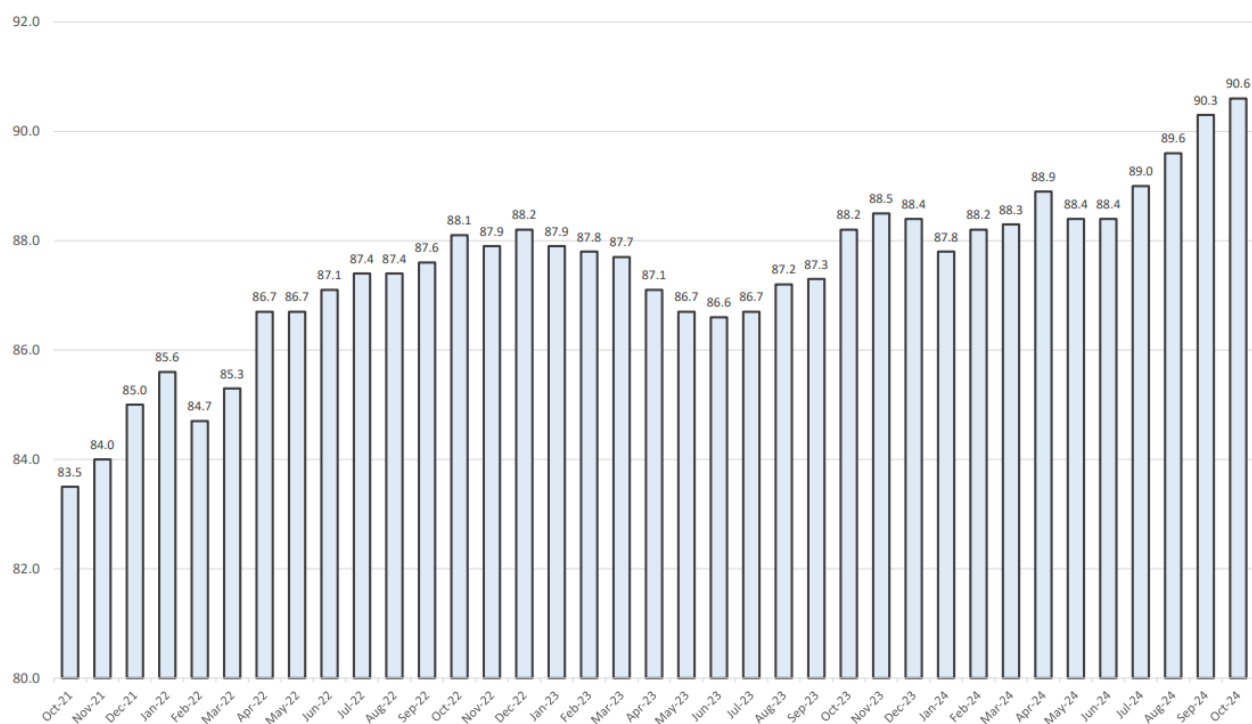
Sienna's Q3 2024 results highlight the Company's sustained growth path across both lines of business and mark the Company's seventh consecutive quarter of year over year adjusted same property NOI growth since the beginning of 2023. In addition, our recent capital initiatives to raise equity and debt have been met with strong investor demand and our efforts to expand into Alberta with a strategic acquisition were successful.

Major highlights during the third quarter included a \$144 million equity raise (before fees), followed by the improvement in the Company's debt rating trend, as well as the issuance of \$150 million of Series D Unsecured Debentures subsequent to the end of Q3 2024. These activities are supporting Sienna's development initiatives, Sienna's platform expansion in Alberta and the refinancing of Sienna's Series A Unsecured Debentures, which matured on November 4, 2024.

With respect to our financial results, Q3 2024 marks the Company's seventh consecutive quarter of year over year adjusted same property NOI growth since the beginning of 2023, including an 18.3% increase in our long-term care segment and an 11.0% increase in our retirement segment, where occupancy exceeded 90% for the first time in over five years.

Retirement Same Property Occupancy - Average same property occupancy in the Retirement portfolio was 89.6% in Q3 2024, up from 88.6% in Q2 2024 and 87.1% in Q3 2023. An intensified focus on high opportunity homes with lower occupancy levels, as well as the continued strong leasing across the remainder of our portfolio, resulted in a 250 bps increase in same property occupancy year over year. Subsequent to the end of Q3 2024, occupancy increased to 90.6% in October 2024.

The following chart shows the monthly average Retirement same property occupancy percentage over the past three years:



LTC Occupancy - Average occupancy in the LTC portfolio was 98.4% in Q3 2024, excluding the unavailable 3rd and 4th beds that will not be reopened, a 30 bps improvement compared to 98.1% in Q3 2023.

Total Adjusted Revenue increased by 12.5% in Q3 2024, or \$24,935, to \$224,775, compared to Q3 2023. In the Retirement segment, adjusted revenues increased by \$5,520, or 10.9%, compared to Q3 2023, driven by occupancy increases, annual rental rate increases, and care and ancillary revenue. In the LTC segment, revenues increased by \$19,415, or 13.0%, compared to Q3 2023, primarily due to increased flow-through funding for direct care, significant government funding increases offsetting cost pressures in recent years, and higher private accommodation revenue.

Total Adjusted Operating Expenses, net of government assistance increased by \$19,323 in Q3 2024, or 11.9%, to \$181,326, compared to Q3 2023. In the Retirement segment, the increase in expenses is mainly due to inflationary increases in wages and higher operating expenses. In the LTC segment, the increase in expenses was mainly due to higher direct care wages and annual inflationary wage increases.

Total Adjusted NOI increased by \$5,612 in Q3 2024, or 14.8%, to \$43,449, compared to Q3 2023. Adjusted NOI in the Retirement segment increased by \$2,076, driven by an increase in adjusted same property NOI mainly due to an occupancy increase, annual rental rate increases, and higher care and ancillary revenue. NOI in the LTC segment increased by \$3,536 largely due to a significant annual government funding increase to support cost increases in recent years, offset by inflationary increases in expenses.

Net income was \$4,728 for Q3 2024 as compared to a net income of \$2,479 in Q3 2023. The increase was primarily due to higher Adjusted NOI, lower transactions costs from timing of redevelopment activities, offset by an increase in administrative expenses due to a one-time restructuring recovery in the prior year and increases in share based compensation costs driven by the Company's improved stock performance, and net financing costs and provision for income taxes.

OFFO increased by 19.0% in Q3 2024, or \$3,808, to \$23,877 compared to Q3 2023. The increase was primarily attributable to higher Adjusted NOI, lower transaction costs, and lower interest, partially offset by higher income tax. OFFO per share increased by 13.5% in Q3 2024, or \$0.037, to \$0.312.

AFFO increased by 3.8% in Q3 2024, or \$739, to \$20,351 compared to Q3 2023. The increase was primarily related to the increase in OFFO, offset by a decrease in construction funding income and increase in maintenance capital expenditure. AFFO per share decreased by 1.1% in Q3 2024 to \$0.266 as a result of temporary dilution due to the Company's recent equity issuance.

Debt - The Company's Debt to Adjusted Gross Book Value decreased by 210 bps to 42.3% at the end of Q3 2024, from 44.4% at the end of Q3 2023, primarily due to increased gross book value as a result of development projects in process and the Company's recent equity issuance. Debt to Adjusted EBITDA decreased to 7.0 times in Q3 2024 from 8.3 times in Q3 2023, and the Debt Service Coverage Ratio decreased to 1.9 times in Q3 2024 from 2.0 times in Q3 2023. The Interest Coverage Ratio increased to 3.4 times in Q3 2024 compared to 3.3 times in Q3 2023. The Weighted Average Term to Maturity increased to 6.2 years from 5.7 years in Q3 2023. The Company is in compliance with all of its debt covenants.

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

Business Update

The third quarter of 2024 has been one of considerable progress and continued success for Sienna. In addition to continued improvements of our operating results, major highlights included a \$144 million equity raise (before fees) and the issuance of \$150 million of unsecured debentures. These activities are supporting Sienna's growth initiatives, including our platform expansion in Alberta, our development program, and the refinancing of the Company's Series A Unsecured Debentures, which matured on November 4, 2024.

With respect to our financial results, Q3 2024 marks the Company's seventh consecutive quarter of year over year adjusted same property NOI growth since the beginning of 2023, including an 18.3% increase in our long-term care segment and an 11.0% increase in our retirement segment, where occupancy exceeded 90% for the first time in over five years.

Growth and Diversification Initiatives

Sienna maintains its strategy of owning a diversified portfolio of private-pay retirement residences and government-funded long-term care communities in Canada. With deep experience and scale in both segments, we run two distinct business lines, while taking advantage of the benefits inherent in shared services and scale.

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

Expansion into Alberta with Portfolio Acquisition of Continuing Care Homes

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

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

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

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

Property	Market	Completed	# of Suites			Occupancy
			Type B	Type B Secure Space	Total	
Airdrie Care Community	Calgary Metropolitan Region, AB	Q2 2022	90	36	126	100.0%
Shasta Care Community	Edmonton, AB	Q4 2022	72	90	162	100.0%
Fort Saskatchewan Care Community	Fort Saskatchewan, AB	Q3 2023	72	54	126	98.4%
Medicine Hat Care Community	Medicine Hat, AB	Q3 2023	90	36	126	84.1%
Total			324	216	540	95.9%

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

The gross purchase price for the Portfolio is \$181.6 million, subject to certain adjustments, including an additional contingent payment of up to \$4.0 million, if certain performance targets are achieved prior to March 2026. The Acquisition will be financed through the assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.7 years. The balance is financed with the proceeds from Sienna's recent equity raise.

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

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

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

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

Completion of Joint Venture Retirement Residence in Ontario

Our joint venture development of a 150-suite retirement residence ("**Elgin Falls**") in Niagara Falls with Reichmann Seniors Housing was completed in the fourth quarter of 2023. The total capital investment for 100% of Elgin Falls is approximately \$55 million, and the Expected Development Yield is approximately 7.5%. Sienna's share of Elgin Falls is 70%. The property is currently in lease-up and will be managed by our joint venture partner until fully stabilized, at which point Sienna has the option to acquire the remaining 30% interest and assume management of the retirement residence. Leasing progress to date is aligned with our expectations, with 45% of the suites occupied and deposits for another 7% of the suites received from residents who will be moving in over the coming months.

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

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

To date, we have three projects under construction. Our campus of care project in Brantford, where we are replacing 122 Class C long-term care beds with 160 Class A beds and adding a 147-suite retirement residence, is progressing well. In early September, we opened a sales centre for the retirement residence named Aspira Brants Landing in anticipation of completing this project in the second half of 2025. The estimated total development cost for the campus of care is approximately \$140 million, with an Expected Development Yield of approximately 8.5%.

We are also progressing well with construction at our Northern Heights Care Community in North Bay, a 160-bed long-term care redevelopment, which will replace 148 older Class C beds. The total development cost for this project, which has an Expected Development Yield of 8.0%, is close to \$80 million. Further details with respect to the development yields can be found under Developments in the Outlook section of this MD&A.

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

With respect to our newest our long-term care redevelopment project in Keswick, Ontario, we started construction in October 2024. Located on a campus comprising a 130-suite retirement residence and an older 60-bed Class B long-term care home, Sienna will redevelop the current 60-bed long-term care home

into a 160-bed community, adding 100 new beds. The Expected Development Yield for this project is approximately 8.5%.

Combined, the development cost for Sienna's three projects currently under construction in North Bay, Brantford and Keswick is expected to be over \$300 million. These developments will support the Company's growth and renewal plans for its long-term care portfolio, contribute to the government's important goal of rebuilding Ontario's older long-term care homes, and ultimately benefit the fast growing seniors population.

Retirement Operations Update

As at September 30, 2024, the Company's owned retirement portfolio comprised 4,574 suites across Ontario, Saskatchewan and British Columbia and contributed approximately 47% to the Adjusted NOI in Q3 2024. Adjusted same-property NOI increased by 11.0% year over year compared to Q3 2023.

Average occupancy in the Company's same property portfolio was 89.6% in Q3 2024, up 250 bps year over year compared to Q3 2023. In September 2024, monthly same property occupancy exceeded 90% for the first time in over five years, marking a critical milestone in the Company's path towards stabilized occupancy of 95%. Our intensified focus on high opportunity homes with lower occupancy levels as well as the strong performance of the remainder of our portfolio continues to support occupancy with average same property occupancy reaching 90.6% in October 2024.

Our results in the retirement segment were further supported by rate increases in line with market rates and the Company's successful cost management strategy.

Marketing and Sales Initiatives

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

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

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

Our efforts, coupled with strong demand in the majority of our key markets, resulted in 433 resident moves in our same property retirement portfolio in Q3 2024, offsetting 362 resident move-outs.

Strong lead generation, enhanced by a competitive sales commission plan and refocused sales training, further supported occupancy during Q3 2024 and subsequent to quarter end. In addition, we anticipate that annual rental rate increases in line with market rates will add to the Company's continued Adjusted NOI growth in its retirement segment.

Long-term Care Operations Update

In Q3 2024, same property NOI increased by 18.3% to \$22.8 million year over year in the Company's owned long-term care portfolio, which comprises 6,572 beds in Ontario and British Columbia.

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

Sienna's LTC same property NOI contributed approximately 53% to the Company's total NOI in Q3 2024.

Continued Improvements to LTC Platform

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

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

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

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

Update on Government Funding and Policy

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

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

At Sienna, we expect that the significant improvement to the level of care funding could lead to the addition of up to 400 care staff positions.

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

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

Ontario funding changes with respect to 3rd and 4th beds in multi-bed rooms - On March 30, 2023, the Ministry provided funding details relating to the closure of 3rd and 4th beds in older homes, including the following phased-in revisions:

- the continued full funding of the Other Accommodations ("OA") per diem from April 1, 2023 to March 31, 2025 (OA funding includes funding for dietary services, housekeeping, laundry services, building/property operations and maintenance and more, and needs to generate sufficient cash flow to fund routine capital maintenance, interest and principal payments on debt, income taxes and provide a return on equity); and
- funding reduction for nursing and personal care as well as nutritional support to 50% from April 1, 2023 to March 31, 2024, with further reductions to 25% from April 1, 2024 to March 31, 2025.

Sienna has approximately 350 3rd and 4th beds in Ontario that are impacted by this change, of which 46 beds will be re-opened in private and semi-private rooms in our two redevelopment projects currently under construction. The Company continues its dialogue with the Ontario government to protect the full OA funding for the 350 beds, which is currently \$66.56 per bed/per day.

British Columbia retroactive government funding announcements - The British Columbia Ministry of Health has been providing funding for incremental costs associated with COVID-19 prevention and containment and PPE to long-term care homes in the province. In Q1 2024, the Ministry confirmed substantial retroactive funding to cover eligible expenses incurred during two funding periods: April 2021 to March 2022 and April 2022 to March 2023.

Throughout these two periods, Sienna experienced significant financial pressures as a result of out of pocket expenses to ensure the health and safety of its residents. This retroactive funding effectively addressed all previously uncovered expenses the Company incurred for COVID-19 prevention and containment measures

between April 2021 and March 2023. In total, Sienna recognized approximately \$13.6 million of retroactive funding in Q1 2024.

Staffing Update

As part of our strategic objectives, we aim to offer a compelling team experience and nurture a purpose-driven culture. We believe that the appeal of our purpose, vision and values differentiates Sienna from competitors and helps us attract and retain a highly engaged workforce and build a talent pipeline amid staffing shortages in the senior living sector and the wider health care sector. These efforts contributed to a nearly 11% increase in team member retention year over year in 2023.

Staffing Strategy

We continued with our proactive staffing strategy to limit our reliance on agency staff and to position Sienna well for the gradual increase in direct hours of care across the long-term care platform. In 2023, we successfully reduced the number of staffing agencies we work with from over 100 to less than 15 and negotiated more competitive rates, terms and standardized contracts. These significant improvements have resulted in the ongoing reduction of agency costs.

We have also been working on a number of other staffing initiatives, including the placement of temporary foreign workers and internationally educated nurses, programs that are of particular importance at communities with significant staffing challenges. To date, 24 nurses have arrived during the first phase and have successfully settled into their new positions. We expect nearly 50 additional nurses to arrive during the second phase of this initiatives over the coming months.

Agency Staffing Costs

With respect to staffing costs, a combination of a significantly improved operating environment and our ability to fill shifts with Sienna's own team members, in addition to rate reductions for agency staff have led to a continued reduction of agency staffing costs in 2024. During the third quarter of 2024, agency cost were \$4.0 million, a \$0.8 million year over year reduction, and for the first nine months of 2024, agency costs were \$14.1 million, representing a \$7.0 million reduction compared to the same period in 2023. Minimizing agency staffing costs, which are predominately covered by the government's flow-through funding for resident care, remains one of Sienna's key objectives.

Improved Onboarding Process

We have made improvements to our onboarding process, including enhancements to team member orientation, mentoring and a more streamlined pre-boarding process across our LTC communities. A key aspect of these changes is an enhanced multi-day orientation program for Executive Directors, PSWs and clinical leaders, which is expected to improve team member engagement and help reduce turnover.

Campus Recruitment Campaigns

As part of our ongoing talent acquisition strategy, we continually expand our collaboration with educational and government institutions. We further enhanced our campus recruitment campaigns at key colleges and universities across Ontario and British Columbia to ensure a talent pipeline for future staffing needs. Our collaboration with colleges and universities has resulted in over 800 student placements in Q3 2024, many of whom we hope to hire once they graduate.

SPARK

Based on feedback from team member satisfaction surveys, team members seek opportunities to share their ideas. As a result, Sienna created SPARK, a program that allows team members to share ideas on how Sienna can grow, improve and fulfil its purpose of Cultivating Happiness in Daily Life. A small number of the submitted ideas are piloted with the most outstanding being rewarded with cash prizes. During our second round, 175 ideas were submitted with the grand prize of \$15,000 being awarded for an idea for a falls prevention tool that allows team members to quickly reference information on how to reduce the falls of residents.

Sienna Ownership and Reward Program

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

Sienna "Learning Bites"

Earlier this year, Sienna introduced one hour of learning per month to all team members over and above any required job-specific training. The objective of the "Learning Bites" program is to differentiate the Company in the market as a learning organization who invests in team members' growth and development by providing accessible training on topics that are timely and relevant to their work.

"Sienna Connects" - A New Team Member App

During Q3 2024, Sienna introduced a new and improved team member app to ensure team members stay informed, can connect, and grow together. The App, which is named "Sienna Connects" provides a platform for two-way communication, increased recognition, and enhanced relationship-building features for team members.

Team Member Engagement

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

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

Sienna's continued focus on enhancing team member engagement and the continued reduction of agency staffing has contributed to the substantial growth in the Company's Adjusted NOI.

Resident Satisfaction

Resident & Family Satisfaction Surveys

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

We had good engagement with respect to our first platform-wide NPS surveys, 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, and to further enhance our operating platforms accordingly.

Survey results will serve as an important baseline to measure the success of our continued platform enhancements.

SPARKLE

Aligned with Sienna's purpose and values, we introduced the Sienna Sparkle Award, which honours residents from both our retirement and long-term care homes who go above and beyond to help cultivate happiness and create community. Nominations can be made by team members, residents and family members. Since the initiation of this program in early 2024, approximately 330 submissions have been made to date. Sparkle Awards are given out to residents as part of our Circle of Excellence Tours.

Outlook

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

Looking ahead, we expect that the funding improvements to offset inflation in recent years, coupled with our successful cost management strategies, will support our long-term care operations. The improvements are also expected to help advance Sienna's redevelopment initiatives in Ontario, and provide capital to continually make improvements to our homes in order to elevate our residents' experience, comfort and safety.

These positive factors, coupled with our continued initiatives to support occupancy growth in our retirement segment, our successful equity and debt issuances, and our recent acquisition in Alberta, all give us reason for an optimistic outlook for the balance of 2024 and beyond.

Retirement Operations

Average occupancy in the Company's same property portfolio was 89.6% in Q3 2024, a 250 bps increase year over year and a 100 bps increase since Q2 2024. Our robust sales platform and intensified focus on homes with below average occupancy levels, in addition to strong supply/demand fundamentals, continued to support occupancy.

In September, monthly same property occupancy exceeded 90% for the first time in over five years, marking a critical milestone in the Company's path towards stabilized occupancy of 95%. Occupancy improved further to 90.6% in October 2024, and lead indicators, including qualified leads and tours, remain strong.

Going forward, we will continue to focus on expanding the Company's Adjusted NOI with our concentrated marketing and sales initiatives. We expect year over year adjusted same property NOI growth in our retirement portfolio in the high single-digit percentage range as a result of occupancy growth and rate increases.

Long-Term Care Operations

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

For the balance of 2024, we expect to benefit from the funding improvements announced to date. The catch-up funding from the Ontario government is of particular importance, as it addresses the funding shortfalls as a result of inflationary pressures over the past four years. We also expect to benefit from a stable operating environment, as well as continued improvements with respect to staffing and cost management.

As a result, we expect our 2024 LTC NOI for the full year, excluding one-time and retroactive funding amounts of \$23.7 million related to prior years which the Company recognized year to date in 2024, to grow in the low double-digit percentage range compared to 2023.

Developments

The following table summarizes development projects that were in progress in Q3 2024:

Projects	Property Type	Expected Completion	Number of Beds / Suites	Estimated Development Costs	Development Grant	Annual Construction Subsidy ⁽¹⁾	Expected Development Yield
Brantford	LTC / Retirement	Q4 2025	160 / 147	\$140M	\$4.0M	\$3.3M	8.5 %
North Bay	LTC	Q4 2025	160	\$80M	\$4.0M	\$3.3M	8.0 %
Total			320 / 147	\$220M	\$8.0M	\$6.6M	

Notes:

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

With respect to our long-term care redevelopment plans, we continue to work with sector associations and other senior living providers to have government funding aligned with the significant inflationary and cost pressures for both redeveloping and operating long-term care communities in Ontario.

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

As a result of these funding improvements, Sienna decided to move forward with the redevelopment of its long-term care home in Keswick, Ontario and started construction in October 2024. Located on a campus comprising a 130-suite retirement residence and an older 60-bed Class B long-term care home, Sienna will redevelop the current long-term care home into a 160-bed home, redeveloping the current beds and adding 100 new beds. The Expected Development Yield for this project is approximately 8.5%.

Combined, the development cost for the three projects in North Bay, Brantford and Keswick is expected to exceed \$300 million.

As for Elgin Falls, construction costs for the 150 suite retirement residence in Niagara Falls, which was completed in Q4 2023 and is currently in lease-up, were in line with our estimates. To date, leasing progress is aligned with expectations, with 45% of the suites occupied and deposits for another 7% of the suites received from residents who will be moving in over the coming months.

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 physical assets largely through the redevelopment of our older long-term care communities.

In addition to our ongoing initiatives to generate occupancy improvements and rental rate increases in our retirement segment, we will also remain focused on cost management by creating operational efficiencies and by minimizing our reliance on agency staffing. Combined, these initiatives will support our operating

margins and put us in a strong position to take advantage of the favourable supply and demand fundamentals across our key markets.

Significant Potential for Growth in Adjusted NOI

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

- **Occupancy growth in the Company's retirement segment**, including incremental Adjusted NOI should we reach our target for stabilized average occupancy of 95.0% in our same-property portfolio, which would represent a 540 bps increase from our average occupancy of 89.6% in Q3 2024;
- **Contributions from acquisitions and new developments**, including incremental Adjusted NOI from:
 1. The recently completed development of Elgin Falls Retirement Residence for \$38.5 million with respect to the Company's 70% joint venture interest, which has an Expected Development Yield of approximately 7.5%; in addition, the Company has the ability to acquire the remaining 30% ownership interest, once the property is fully stabilized;
 2. The Company's acquisition of its remaining interest in Nicola Lodge, expected to generate an unlevered yield of 6.75%;
 3. The Company's development projects in North Bay, Brantford, and Keswick, once completed and operational; and
 4. The contributions from the Company's Acquisition in Alberta, expected to generate an approximate 6.5% investment yield in the first twelve months of operations following the closing of the transaction in early 2025, with potential additional upside.

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

Significant Events

Issuance of \$144 Million of Common Shares

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

Acquisition of Four Continuing Care Homes in Alberta

On October 16, 2024, as outlined in detail in the Business Update section of this MD&A, the Company entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540

suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat for an aggregate purchase price of \$181.6M. The Acquisition is expected to be completed in early 2025.

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

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

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

Our Purpose, Vision and Values

Our Purpose:

Cultivating happiness in daily life.

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

Our Vision is to be:

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

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

Our Values:

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

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

Create community: We foster strong relationships and celebrate diversity

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

Company Strategy and Objectives

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

Strengthening Team Engagement

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

Offering a compelling team experience

- Conduct team member engagement surveys to gain insights and identify opportunities to enhance team member experience;
- Design, develop and introduce an essential program for new and developing frontline managers;
- Offer learning and development growth to support orientation, onboarding and enhancements to operating platforms; and
- Increase talent pipeline in leadership roles.

Creating a purpose-driven, differentiated culture

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

Elevating Quality of Life of Residents

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

Offering outstanding resident experience

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

Achieving operational excellence

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

Achieving Growth & Enhanced Performance

Outperforming the market

- Grow organically through investments in sales and marketing programs, supporting improved occupancy, expanded services, rental rate increases and focused cost management;
- Maintain a diversified portfolio of private-pay retirement residences and government-funded long-term care communities; and
- Maintain a strong balance sheet and liquidity, including a diversified debt portfolio with staggered debt maturities, an investment-grade credit rating and a sizeable pool of unencumbered assets.

Growing the Company's footprint

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

Environmental, Social and Governance (ESG) Responsibility

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

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

Diversity, Equity and Inclusion

A Diverse and Inclusive Workforce

Gender - Sienna's total workforce is predominantly female, with approximately 86% of our team members being female. The high percentage of women in our workforce is also reflected in our management team with nearly 80% of the Company's over 400 leadership positions being held by women.

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

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

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

Sienna Ownership and Reward Program

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

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

Labour Relations and Union Representation

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

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

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

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

Health, Safety and Wellness Programs

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

Giving Back to the Community

Sienna for Seniors Foundation ("Foundation")

The Foundation was formed in April 2021 as part of our ongoing commitment to supporting the communities we serve across Canada and allows us to raise and give funds for a variety of important seniors-related initiatives.

The Foundation has recently received support from external partners to help with the mission of supporting seniors charities in the communities we serve. Sienna has put out a call for charities seeking financial support and will be making grants throughout the year. Team members are also encouraged to nominate a charity of their choice. To date, grants have been given to numerous causes, including Concerts in Care, an organization that brings world-class musicians into senior living settings to let seniors experience the joy of live music, the Ontario Tech University and the Saskatchewan Council on Aging.

With food insecurity a pressing concern, one of the Foundation's ongoing initiatives is "Sienna Supper". Spearheaded by Sienna's communities who partnered with local community groups such as Second Harvest, team members provide fresh and nutritious meals to help nourish seniors and others in some of our communities. Through our partnership with Second Harvest, thousands of meals have been donated to date, supporting those in need.

In connection with an enhanced focus on supporting mental health and wellness in the communities we serve, the Foundation made an inaugural donation of \$250,000 to support seniors' mental health provided by Scarborough Health Network.

Sienna Senior Living Dino Chiesa Scholarship

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

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

Improving Sienna's Environmental Footprint

Addressing Climate Change through Development

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

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

Committing to Waste Reduction by Going Paperless

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

Exploring Alternatives to Divert Food Waste Away from Landfills

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

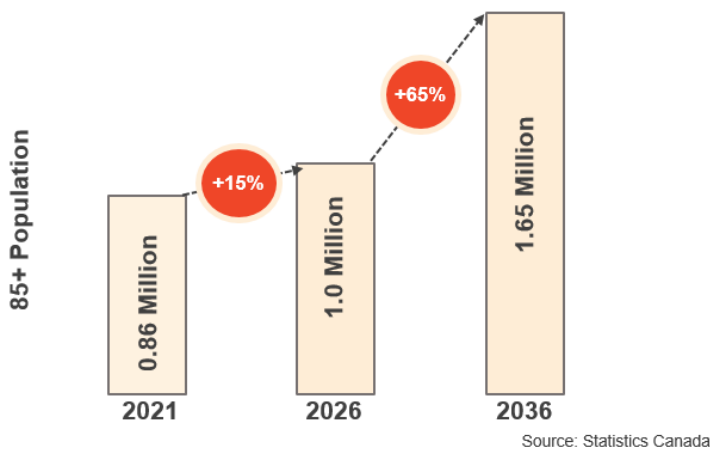
Planting Pollinator Gardens

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

Industry Update

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

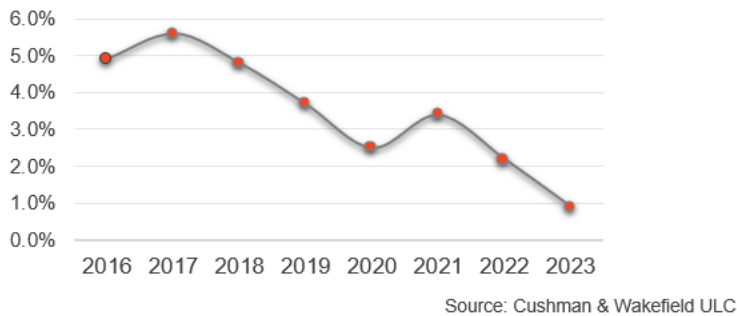
The chart below highlights the projected population growth of seniors aged 85 or older in Canada:



Slowing Supply of Retirement Residences

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

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



Robust Fundamentals in Sienna's Key LTC Markets

Demand for long-term care beds is higher than ever, with long waiting lists and increasing pressure on hospital systems. In Ontario, an estimated 43,000 people are waiting for long-term care. This waitlist is expected to continue to grow, according to the Ontario Long-Term Care Association ("**OLTCA**"). Similarly, there is strong demand for LTC beds in British Columbia and continuing care spaces in Alberta.

High Barriers to Entry

The senior living sector in Canada continues to be fragmented and highly regulated, with significant barriers to entry. The sector is regulated by provincial governments and regional health authorities, with growing and varied obligations placed on operators. Additionally, the sector requires an increasingly complex level of specialized expertise and a solid operating platform in order to succeed in meeting regulatory requirements and providing positive resident and family experiences. All LTC and Retirement residences require an approved licensed operator.

Business of the Company

Please refer to the Company's current AIF for the year ended December 31, 2023 for a discussion of the Business of the Company.

Quarterly Financial Information

Thousands of Canadian dollars, except occupancy, per share and ratio data	2024				2023			2022	
	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1 ⁽¹⁾	Q4	Q3	Q2	Q1	Q4	
Total Adjusted Revenue	224,775	219,487	239,384	218,863	199,840	198,343	199,611	193,216	
Total Adjusted Operating Expenses, net of government assistance	181,326	173,477	175,895	180,659	162,003	159,438	163,302	160,699	
Net income (loss)	4,728	6,086	19,729	432	2,479	4,467	(340)	(6,675)	
Per share basic and diluted	0.060	0.083	0.270	0.006	0.034	0.061	—	(0.092)	
OFFO	23,877	26,081	36,729	22,112	20,069	21,443	18,447	17,701	
Per share basic	0.312	0.357	0.503	0.303	0.275	0.294	0.253	0.243	
AFFO	20,351	22,433	35,359	17,756	19,612	19,582	18,187	17,302	
Per share basic	0.266	0.307	0.485	0.243	0.269	0.268	0.249	0.237	
Dividends declared	18,578	17,080	17,074	17,074	17,074	17,072	17,068	17,065	
Per share	0.234	0.234	0.234	0.234	0.234	0.234	0.234	0.234	
Occupancy									
Retirement - Average same property	89.6 %	88.6 %	88.1 %	88.4 %	87.1 %	86.8 %	87.8 %	88.0 %	
Retirement - Acquisition, Development and Others - Average occupancy ⁽²⁾	38.9 %	29.4 %	13.1 %	n/a	n/a	n/a	n/a	n/a	
Retirement - Average total occupancy	88.2 %	87.0 %	86.6 %	88.4 %	87.1 %	86.8 %	87.8 %	88.0 %	
LTC - Average private occupancy	96.5 %	98.4 %	95.9 %	93.3 %	93.8 %	92.6 %	88.1 %	86.3 %	
LTC - Average total occupancy ⁽³⁾	98.4 %	98.5 %	97.5 %	97.5 %	98.1 %	97.8 %	96.6 %	97.1 %	
Debt to adjusted gross book value as at period end	42.3 %	43.7 %	44.3 %	44.6 %	44.4 %	44.0 %	44.5 %	43.9 %	
Debt to Adjusted EBITDA as at period end	7.0	6.8	7.1	8.4	8.3	8.4	8.8	8.9	
Interest Coverage Ratio	3.4	3.7	5.4	3.4	3.3	3.5	3.2	3.1	
Total assets	1,909,523	1,712,579	1,700,083	1,695,343	1,681,167	1,675,614	1,681,045	1,680,428	
Total debt	1,058,030	1,006,617	1,008,067	1,006,649	994,112	988,938	999,258	977,964	
Weighted average shares outstanding	76,543,993	72,978,178	72,967,166	72,967,166	72,967,166	72,949,215	72,939,941	72,914,451	

Note:

- Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.
- Includes Elgin Falls effective January 24, 2024.
- Excludes the 3rd and 4th beds in multi-bed rooms in Ontario that will not be reopened.

The Company's quarterly financial results are impacted by various factors including, but not limited to, timing of funding rate increases or additional funding, occupancy levels, timing of operating expenses and maintenance capital expenditures, seasonality of utility expenses, timing of resident co-payment increases, the timing of disposals and acquisitions, and capital market and financing activities. For the three months ended September 30, 2024, the Company's results have been impacted by share of net loss in joint ventures, occupancy rates, increased costs pertaining to labour, higher utilities and fair value adjustments on interest rate swap contracts.

A discussion of the operating results for the three and nine months ended September 30, 2024 compared to the same period in the prior year is provided in the section "Operating Results".

Operating Results

The following table represents the operating results for the periods ended September 30, prepared in accordance with IFRS:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue	215,332	191,974	23,358	656,805	574,626	82,179
Expenses						
Operating expenses	174,787	156,423	18,364	511,252	467,883	43,369
Depreciation and amortization	12,844	12,333	511	38,002	37,309	693
Administrative expenses	8,257	6,260	1,997	26,283	21,920	4,363
Share of net loss in joint ventures	2,068	2,168	(100)	7,489	7,053	436
Net finance charges	10,718	9,439	1,279	30,092	28,011	2,081
Transaction costs	119	1,893	(1,774)	1,743	2,989	(1,246)
	208,793	188,516	20,277	614,861	565,165	49,696
Income before provision for income taxes	6,539	3,458	3,081	41,944	9,461	32,483
Provision for income taxes						
Current	2,923	51	2,872	13,848	2,162	11,686
Deferred	(1,112)	928	(2,040)	(2,447)	693	(3,140)
	1,811	979	832	11,401	2,855	8,546
Net income	4,728	2,479	2,249	30,543	6,606	23,937
Total assets	1,909,523	1,681,167	228,356	1,909,523	1,681,167	228,356
Total debt	1,058,030	994,112	63,918	1,058,030	994,112	63,918

Joint Arrangement

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

The following table summarizes the classification of properties which are owned through the Company's joint arrangements, or which are partially owned as at September 30, 2024:

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

Notes:

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

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

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

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue	215,332	191,974	23,358	656,805	574,626	82,179
Share of revenue from Equity-Accounted Joint Ventures	9,443	7,866	1,577	26,841	23,168	3,673
Adjusted Revenue	224,775	199,840	24,935	683,646	597,794	85,852
Operating Expenses	174,787	156,423	18,364	511,252	467,883	43,369
Share of expenses from Equity-Accounted Joint Ventures	6,539	5,580	959	19,446	16,860	2,586
Adjusted Operating Expenses, net	181,326	162,003	19,323	530,698	484,743	45,955
NOI	40,545	35,551	4,994	145,553	106,743	38,810
Share of NOI from Equity-Accounted Joint Ventures	2,904	2,286	618	7,395	6,308	1,087
Adjusted NOI	43,449	37,837	5,612	152,948	113,051	39,897

Consolidated Adjusted Net Operating Income

The following table represents the Company's consolidated net operating income, including the Company's share of net operating income from Equity-Accounted Joint Ventures, for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue						
Same property ⁽¹⁾	224,139	199,840	24,299	682,355	597,794	84,561
Acquisition, development and other ⁽²⁾	636	—	636	1,291	—	1,291
Total Adjusted Revenue	224,775	199,840	24,935	683,646	597,794	85,852
Operating Expenses, net						
Same property ⁽¹⁾	180,727	161,033	19,694	528,954	483,409	45,545
Net pandemic and incremental agency expenses ⁽³⁾	—	970	(970)	—	1,334	(1,334)
Acquisition, development and other ⁽²⁾	599	—	599	1,744	—	1,744
Total Adjusted Operating Expenses, net	181,326	162,003	19,323	530,698	484,743	45,955
NOI						
Same property ⁽¹⁾	43,412	37,837	5,575	153,401	113,051	40,350
Acquisition, development and other ⁽²⁾	37	—	37	(453)	—	(453)
Total Adjusted NOI	43,449	37,837	5,612	152,948	113,051	39,897

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "acquisitions" to "same property".
- Includes Elgin Falls, effective January 24, 2024, which is currently in the process of being leased-up.
- For Q3 2023, includes government assistance related to the pandemic of \$5,767 and incremental pandemic related and agency expenses of \$6,737, resulting in net pandemic and incremental agency expenses of \$970. For the nine months ended September 30, 2023, includes government funding related to the pandemic of \$20,884 and incremental pandemic related and agency expenses of \$22,218, resulting in net pandemic and incremental agency expenses of \$1,334. Effective January 1, 2024, the Company began classifying all active funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.

Third Quarter 2024 Operating Results

The Company's total same property revenues for Q3 2024 increased by \$24,299 to \$224,139, compared to Q3 2023. Retirement's same property revenues for Q3 2024 increased by \$4,884 to \$55,589, compared to Q3 2023, primarily due to occupancy increases, annual rental rate increases in line with market conditions, and higher care and ancillary revenue. LTC's same property revenues for Q3 2024 increased by \$19,415 to \$168,550, compared to Q3 2023, primarily due to significant funding increases to offset inflation in recent years, increased flow-through funding of direct care and higher preferred accommodation revenue.

The Company's total same property operating expenses for Q3 2024 increased by \$19,694 to \$180,727, compared to Q3 2023. Retirement's same property operating expenses for Q3 2024 increased by \$3,006 to \$35,025, compared to Q3 2023, primarily due to higher labour and food costs, increased maintenance and marketing expenses. LTC's operating expenses for Q3 2024 increased by \$16,688 to \$145,702, compared to Q3 2023, mainly due to higher expenses related to an increase in direct care and annual inflationary increases in wages.

The Company's total adjusted same property NOI for Q3 2024 increased by \$5,575 to \$43,412, compared to Q3 2023. Retirement's adjusted same property NOI for Q3 2024 increased by \$2,039 to \$20,564. LTC's same property NOI for Q3 2024 increased by \$3,536 to \$22,848 compared to Q3 2023.

Nine Months Ended September 30, 2024 Operating Results

The Company's total same property revenues for the nine months ended September 30, 2024 increased by \$84,561 to 682,355, compared to the nine months ended September 30, 2023. Retirement's same property revenues for the nine months ended September 30, 2024 increased by \$13,297 to \$163,138, compared to the nine months ended September 30, 2023, primarily due to annual rental rate increases in line with market conditions, occupancy growth, and higher care and ancillary revenue. LTC's same property revenues for the nine months ended September 30, 2024 increased by \$71,264 to \$519,217, compared to the nine months ended September 30, 2023, primarily due to One-Time and Retroactive Funding of \$27,010, Workplace Safety and Insurance Board ("WSIB") refund of \$3,406, annual inflationary funding increases and higher preferred accommodation revenue. In Q1 2024, the LTC segment recognized one-time funding from MLTC of \$13,419, of which \$10,064 relates to 2023 and \$3,355 relates to Q1 2024. The LTC segment also recognized retroactive funding of \$13,591 from the Government of British Columbia, of which \$9,913 relates to 2022 and \$3,678 relates to 2021. During the nine months ended September 30, 2023, the LTC segment recognized retroactive pandemic funding of \$4,058, of which 3,414 related to 2022 and \$644 related to 2021.

The Company's total same property operating expenses for the nine months ended September 30, 2024 increased by \$45,545 to \$528,954, compared to the nine months ended September 30, 2023. Retirement's same property operating expenses, for the nine months ended September 30, 2024 increased by \$9,120 to \$104,295, compared to the nine months ended September 30, 2023, primarily due to higher labour and food costs, and marketing expenses. LTC's operating expenses for the nine months ended September 30, 2024, increased by \$36,425 to \$424,659, compared to the nine months ended September 30, 2023, mainly due to increase in direct care labour and other labour.

The Company's total adjusted same property NOI for the nine months ended September 30, 2024 increased by \$40,350 to \$153,401, compared to the nine months ended September 30, 2023. Retirement's adjusted same property NOI for the nine months ended September 30, 2024 increased by \$4,311 to \$58,843 compared to the nine months ended September 30, 2023. LTC's same property NOI for the nine months ended September 30, 2024 increased by \$36,039 to \$94,558 compared to the nine months ended September 30, 2023.

Adjusted Net Operating Income by Segment

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

Our Retirement portfolio operates in well located markets and generated approximately 47% of the Company's Total Adjusted NOI for Q3 2024. Our LTC portfolio contributed approximately 53% to the Company's Total Adjusted NOI for Q3 2024.

Retirement

The following table represents the results of the Retirement segment for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Retirement Revenue						
Same property ⁽¹⁾	55,589	50,705	4,884	163,138	149,841	13,297
Acquisition, development and other ⁽²⁾	636	—	636	1,291	—	1,291
Total Adjusted Retirement Revenue	56,225	50,705	5,520	164,429	149,841	14,588
Retirement Expenses, net						
Same property ⁽¹⁾	35,025	32,019	3,006	104,295	95,175	9,120
Net pandemic and incremental agency expenses ⁽³⁾	—	161	(161)	—	134	(134)
Acquisition, development and other ⁽²⁾	599	—	599	1,744	—	1,744
Total Adjusted Retirement Expenses, net	35,624	32,180	3,444	106,039	95,309	10,730
Retirement NOI						
Same property ⁽¹⁾	20,564	18,525	2,039	58,843	54,532	4,311
Acquisition, development and other ⁽²⁾	37	—	37	(453)	—	(453)
Total Adjusted Retirement NOI	20,601	18,525	2,076	58,390	54,532	3,858

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "acquisitions" to "same property".
- Includes Elgin Falls, effective January 24, 2024, which is currently in the process of being leased-up.
- For Q3 2023, includes government assistance related to the pandemic of \$495 and incremental pandemic related agency expenses of \$656, resulting in net pandemic and incremental agency expenses of \$161. For the nine months ended September 30, 2023, includes government funding related to the pandemic of \$1,909 and incremental pandemic related and agency expenses of \$2,043, resulting in net pandemic and incremental agency recoveries of \$134. Effective January 1, 2024, the Company began classifying all funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.

Third Quarter 2024 Retirement Results

Retirement's same property revenues for Q3 2024 increased by \$4,884 to \$55,589, compared to Q3 2023, primarily attributable to occupancy increases, annual rental rate increases in line with market conditions and higher care and ancillary revenue.

Retirement's same property operating expenses for Q3 2024 increased by \$3,006 to \$35,025 compared to Q3 2023, primarily due to higher labour, food, maintenance and marketing costs.

Retirement's adjusted same property NOI for Q3 2024 increased by \$2,039 to \$20,564, compared to Q3 2023 as discussed above.

Nine months ended September 30, 2024 Retirement Results

Retirement's same property revenues for the nine months ended September 30, 2024 increased by \$13,297 to \$163,138, compared to the nine months ended September 30, 2023, primarily attributable to occupancy growth, annual rental rate increases in line with market conditions, higher care and ancillary revenue.

Retirement's same property operating expenses for the nine months ended September 30, 2024 increased by \$9,120 to \$104,295 compared to the nine months ended September 30, 2023, primarily due to higher labour and food costs, and timing of operating expenses .

Retirement's adjusted same property NOI for the nine months ended September 30, 2024 increased by \$4,311 to \$58,843, compared to the nine months ended September 30, 2023 as discussed above.

Long-term Care

The following table represents the results of the LTC segment for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Long-term Care Revenue						
Same property ⁽¹⁾	168,550	149,135	19,415	519,217	447,953	71,264
Total Long-term Care Revenue	168,550	149,135	19,415	519,217	447,953	71,264
Long-term Care Expenses, net						
Same property ⁽¹⁾	145,702	129,014	16,688	424,659	388,234	36,425
Net pandemic and incremental agency expenses ⁽²⁾	—	809	(809)	—	1,200	(1,200)
Total Long-term Care Expenses, net	145,702	129,823	15,879	424,659	389,434	35,225
Long-term Care NOI						
Same property ⁽¹⁾	22,848	19,312	3,536	94,558	58,519	36,039
Total Long-term Care NOI	22,848	19,312	3,536	94,558	58,519	36,039

Notes:

- Effective January 1, 2024, the results of Woods Park were reclassified from "acquisitions" to "same property".
- For Q3 2023, includes government assistance related to the pandemic of \$5,272 and incremental pandemic related and agency expenses of \$6,081, resulting in net pandemic and incremental agency expenses of \$809. For the nine months ended September 30, 2023, includes government funding related to the pandemic of \$18,975 and incremental pandemic related and agency expenses of \$20,175, resulting in net pandemic and incremental agency recoveries of \$1,200. Effective January 1, 2024, the Company began classifying all funding that started during the pandemic as revenue ("pandemic funding"), instead of presenting them as net pandemic and incremental agency expenses. The corresponding expenses are presented as part of operating expenses.

Third Quarter 2024 Long-term Care Results

LTC's same property revenues for Q3 2024 increased by \$19,415 to \$168,550, compared to Q3 2023, primarily due to higher flow-through funding for direct care, annual inflationary funding increases and higher preferred accommodation revenue.

LTC's same property operating expenses for Q3 2024 increased by \$16,688 to \$145,702, compared to Q3 2023, mainly due to higher expenses related to an increase in direct care and other labour.

LTC's same property NOI for Q3 2024 increased by \$3,536 to \$22,848, compared to Q3 2023 as a result of the same property revenue and operating expenses changes as discussed above.

Nine months ended September 30, 2024 Long-term Care Results

LTC's same property revenues for the nine months ended September 30, 2024 increased by \$71,264 to \$519,217, compared to the nine months ended September 30, 2023, primarily due to one-time funding from MLTC of \$13,419 of which \$10,064 relates to 2023 and \$3,355 relates to Q1 2024, retroactive funding of \$13,591, a one-time WSIB refund of \$2,960 related to prior years that was recorded in Q2 2024, higher annual inflationary funding increases, and higher preferred accommodation revenue.

LTC's same property operating expenses for the nine months ended September 30, 2024 increased by \$36,425 to \$424,659, compared to the nine months ended September 30, 2023, mainly due to higher expenses related to an increase in direct care and other labour.

LTC's same property NOI for the nine months ended September 30, 2024 increased by \$36,039 to \$94,558, compared to the nine months ended September 30, 2023 as a result of the same property revenue and operating expenses changes as discussed above.

Depreciation and Amortization

Third Quarter 2024

Depreciation and amortization for Q3 2024 increased by \$511 to \$12,844, compared to Q3 2023, primarily due to higher amortization on computer software and building, offset by lower depreciation on computer hardware.

Nine months ended September 30, 2024

Depreciation and amortization for the nine months ended September 30, 2024 increased by \$693 to \$38,002, compared to the same period ended September 30, 2023, primarily due to higher amortization on computer software and resident relations and higher depreciation on right-of use of equipment, building and furniture and fixtures, offset by lower depreciation on computer hardware.

Administrative Expenses

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
General and administrative expenses	6,872	6,688	184	21,943	20,494	1,449
SOAR Program	—	—	—	471	306	165
Restructuring costs ⁽¹⁾	—	(1,174)	1,174	—	(1,175)	1,175
Share-based compensation	1,385	764	621	3,869	2,287	1,582
Pandemic related expenses	—	(18)	18	—	8	(8)
Total administrative expenses	8,257	6,260	1,997	26,283	21,920	4,363

1. In 2022, the Company announced the closure of one of its LTC residences and recognized a restructuring provision as a result. During the three months and nine months ended September 30, 2023, the Company removed its provision by \$1,174 and \$1,767 respectively, based on best estimates.

Third Quarter 2024

Administrative expenses for Q3 2024 increased by \$1,997 to \$8,257, compared to Q3 2023, primarily due to increase in share-based compensation driven by Sienna's stock performance improvement and restructuring costs reversal in the prior year.

Nine months ended September 30, 2024

Administrative expenses for the nine months ended September 30, 2024 increased by \$4,363 to \$26,283, compared to nine months ended September 30, 2023, primarily due to increase in share-based compensation driven by Sienna's stock performance improvement, restructuring costs reversal in the prior year, severance costs, and increased in SOAR program costs.

Share of Net Loss in Joint Ventures (JV)

Third Quarter 2024

The Company's share of net loss in joint ventures of \$2,068 (2023 - \$2,168), was related to Sienna-Sabra LP and Sienna-RSH Niagara Falls LP. This balance is comprised of NOI of \$2,904, less depreciation and amortization of \$4,309, less finance costs of \$661, less transaction costs of \$2.

Nine months ended September 30, 2024

The Company's share of net loss in joint ventures of \$7,489 (2023 - \$7,053), was primarily related to Sienna-Sabra LP. This balance is comprised of NOI of \$7,395, less depreciation and amortization of \$13,054, less finance costs of \$1,828, less transaction costs of \$2.

Net Finance Charges

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Finance costs						
Interest expense on mortgages	6,140	5,888	252	18,079	16,108	1,971
Interest expense on debentures	3,583	3,585	(2)	10,670	10,640	30
Interest on unsecured term loan	—	—	—	—	1,176	(1,176)
Interest expense on construction loan	560	—	560	634	—	634
Interest expense on credit facilities	314	786	(472)	1,920	2,552	(632)
Interest expense on right-of-use assets	36	41	(5)	111	111	—
Amortization of financing charges and fair value adjustments on acquired debt	1,213	863	350	3,053	2,394	659
Net settlement receipt on interest rate swap contracts	(601)	(924)	323	(1,974)	(2,559)	585
Fair value (gain) loss on interest rate swap contracts	1,724	(164)	1,888	2,092	(713)	2,805
	12,969	10,075	2,894	34,585	29,709	4,876
Less: Interest capitalized on qualifying development projects ⁽¹⁾	(1,361)	—	(1,361)	(2,664)	—	(2,664)
Net Finance Costs	11,608	10,075	1,533	31,921	29,709	2,212
Finance income						
Interest income on construction funding receivable	63	118	(55)	210	411	(201)
Other interest income	827	518	309	1,619	1,287	332
	890	636	254	1,829	1,698	131
Net finance charges	10,718	9,439	1,279	30,092	28,011	2,081

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

Third Quarter 2024

Net finance charges for Q3 2024 increased by \$1,279 to \$10,718, compared to Q3 2023, primarily due to fair value loss on interest rate swap contracts resulting from a decline in interest rate during the quarter, and higher interest expense on mortgages resulting from increased property level mortgages, offset by lower interest expense on credit facilities and higher interest income from equity offering proceeds.

Nine months ended September 30, 2024

Net finance charges for the nine months ended September 30, 2024 increased by \$2,081 to \$30,092, compared to nine months ended September 30, 2023, primarily due to fair value loss on interest rate swap contracts, and higher interest expense on mortgages resulting from increased property level mortgages, partially offset by lower interest expense on credit facilities, lower interest on unsecured term loan that was fully repaid in Q2 2023, and higher interest income from equity offering proceeds.

Transaction Costs

Third Quarter 2024

Transaction costs for Q3 2024 decreased by \$1,774 to \$119 compared to Q3 2023 primarily attributable to timing of activities related to development projects and transactions.

Nine months ended September 30, 2024

Transaction costs for the nine months ended September 30, 2024 decreased by \$1,246 to \$1,743 compared to nine months ended September 30, 2023 primarily attributable to timing of activities related to development projects and transactions.

Income Taxes

Third Quarter 2024

Income tax expense for Q3 2024 increased by \$832 resulting in an income tax expense of \$1,811 (current tax expense of \$2,923 and deferred tax recovery of \$1,112), compared to Q3 2023 income tax expense of \$979 (current tax expense of \$51 and deferred tax expense of \$928). The increase in taxes is primarily due to higher NOI and reversal of temporary differences.

Nine months ended September 30, 2024

Income tax expense for the nine months ended September 30, 2024 increased by \$8,546 resulting in an income tax expense of \$11,401 (current tax expense of \$13,848 and deferred tax recovery of \$2,447), compared to nine months ended September 30, 2023 income tax expense of \$2,855 (current tax expense of \$2,162 and deferred tax expenses of \$693). The increase in taxes is primarily due to higher NOI including the \$27,010 One-Time & Retroactive Funding in the first quarter of 2024, and restructuring costs deduction in 2023.

Business Performance

Non-IFRS Measures

Readers are cautioned that certain terms used in the MD&A listed below, including any related per share amounts, used by Management of the Company to measure, compare and explain the operating results and financial performance of Sienna do not have any standardized meaning prescribed under IFRS and, therefore, should not be construed as alternatives to net income, cash flow from operating activities, or any other measure prescribed under IFRS. These terms are defined in the following table and reconciliations to the most comparable IFRS measure are referenced, as applicable. The following terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publicly traded entities.

Adjusted Funds from Operations

The measure most directly comparable to FFO and OFFO is "Adjusted NOI". The following table represents the reconciliation of "Adjusted NOI" to "net income" to FFO and OFFO for the periods ended September 30. The reconciliation from FFO to AFFO is provided as supplementary information.

Thousands of Canadian dollars, except share and per share data	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Adjusted revenue	224,775	199,840	24,935	683,646	597,794	85,852
Adjusted operating expense, net of government assistance	(181,326)	(162,003)	(19,323)	(530,698)	(484,743)	(45,955)
Adjusted NOI	43,449	37,837	5,612	152,948	113,051	39,897
Depreciation and amortization	(12,844)	(12,333)	(511)	(38,002)	(37,309)	(693)
Administrative expenses	(8,257)	(6,260)	(1,997)	(26,283)	(21,920)	(4,363)
Share of net loss in equity accounted joint ventures	(2,068)	(2,168)	100	(7,489)	(7,053)	(436)
Share of NOI in equity accounted joint ventures	(2,904)	(2,286)	(618)	(7,395)	(6,308)	(1,087)
Net finance charges	(10,718)	(9,439)	(1,279)	(30,092)	(28,011)	(2,081)
Transaction costs	(119)	(1,893)	1,774	(1,743)	(2,989)	1,246
Income taxes	(1,811)	(979)	(832)	(11,401)	(2,855)	(8,546)
Net income	4,728	2,479	2,249	30,543	6,606	23,937
Deferred income tax recovery	(1,112)	928	(2,040)	(2,447)	693	(3,140)
Depreciation and amortization	11,317	11,205	112	34,126	33,413	713
Transaction costs	119	1,182	(1,063)	1,743	2,278	(535)
Net settlement payment on interest rate swap contracts	(601)	(924)	323	(1,974)	(2,559)	585
Fair value (gain) loss on interest rate swap contracts	1,724	(164)	1,888	2,092	(713)	2,805
Shares granted under SOAR program	—	—	—	471	306	165
Equity-Accounted Joint Ventures:						
Depreciation and amortization	4,309	4,173	136	13,054	12,505	549
Shares granted under SOAR program	—	—	—	24	10	14
Transaction cost	2	97	(95)	2	291	(289)
Funds from operations (FFO)	20,486	18,976	1,510	77,634	52,830	24,804
Depreciation and amortization - corporate	1,527	1,128	399	3,876	3,896	(20)
Amortization of financing charges and fair value adjustments on assumed debt ⁽¹⁾	1,263	912	351	3,203	2,546	657
Net settlement receipt on interest rate swap contracts	601	924	(323)	1,974	2,559	(585)
Restructuring costs, including tax	—	(1,871)	1,871	—	(1,872)	1,872
Operating funds from operations (OFFO)	23,877	20,069	3,808	86,687	59,959	26,728
Construction funding	651	1,347	(696)	2,141	5,021	(2,880)
Maintenance capital expenditure ⁽²⁾	(4,177)	(1,804)	(2,373)	(10,691)	(7,599)	(3,092)
Adjusted funds from operations (AFFO)	20,351	19,612	739	78,137	57,381	20,756
Dividends declared	(18,578)	(17,074)	(1,504)	(52,732)	(51,214)	(1,518)
AFFO retained	1,773	2,538	(765)	25,405	6,167	19,238
Basic and Diluted FFO per share	0.268	0.260	0.008	1.047	0.724	0.323
Basic and Diluted OFFO per share	0.312	0.275	0.037	1.169	0.822	0.347
Basic and Diluted AFFO per share	0.266	0.269	(0.003)	1.053	0.787	0.266
Weighted average common shares outstanding	76,543,993	72,967,166		74,171,920	72,952,207	

Notes:

- For the three and nine months ended September 30, 2024, includes the Company's share of amortization of financing charges and fair value adjustments on assumed debt in Equity-Accounted Joint Ventures of \$49 and \$149 (2023 - \$51 and \$155).
- For the three and nine months ended September 30, 2024 includes the Company's share of maintenance capital expenditure in Equity-Accounted Joint Ventures of \$263 and \$541 (2023 - \$237 and \$497).

Third Quarter 2024 Performance

For Q3 2024, FFO increased by \$1,510 to \$20,486, compared to Q3 2023. The increase was primarily attributable to higher Adjusted NOI, lower transaction costs and lower interest expense partially offset by higher current income tax.

For Q3 2024, OFFO increased by \$3,808 to \$23,877, compared to Q3 2023. The increase was primarily attributable to higher FFO.

For Q3 2024, AFFO increased by \$739 to \$20,351, compared to Q3 2023. The increase was primarily related to the increase in OFFO, offset by a decrease in construction funding income and increase in maintenance capital expenditure.

Nine months ended September 30, 2024 Performance

FFO for the nine months ended September 30, 2024 increased by \$24,804 to \$77,634, over the prior year. The increase was primarily due to higher Adjusted NOI, including, \$17,365 of One-Time & Retroactive Funding (\$23,655 net of \$6,290 taxes) relating to prior years in Q1 2024, lower transaction costs, lower interest expense partially offset by higher current income tax.

OFFO for the nine months ended September 30, 2024 increased by \$26,728 to \$86,687, over the prior year. The increase was primarily due to higher FFO, including, \$17,365 of One-Time & Retroactive Funding (\$23,655 net of \$6,290 taxes) relating to prior years in Q1 2024.

AFFO for the nine months ended September 30, 2024 increased by \$20,756 to \$78,137, over the prior year. The increase in AFFO was principally related to the increase in OFFO, offset by a decrease in construction funding income and increase in maintenance capital expenditure.

Construction Funding

The Company receives construction funding subsidies from the Government of Ontario on a per bed per diem basis to support the costs of developing or redeveloping eligible LTC homes. There are several eligibility requirements, including receiving approval from the MLTC on the development or redevelopment and completing the construction in accordance with a development agreement signed with the MLTC. This funding is non-interest bearing, and is received subject to the condition that the residences continue to operate as long-term care residences for the period for which they are entitled to the construction funding. As at September 30, 2024, the condition for funding has been met.

The construction funding amount to reconcile from OFFO to AFFO represents the change in the construction funding receivable balance, which consists of the cash to be received, offset by the interest income on the construction funding receivable recognized in "net income". For the remainder of 2024 through 2028, 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
2024	57	429	486
2025	193	1,344	1,537
2026	137	1,203	1,340
2027	108	462	570
2028	94	482	576
Thereafter	484	2,709	3,193
	1,073	6,629	7,702

Notes:

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

For the three and nine months ended September 30, 2024, interest income on construction funding of \$63 and \$210, (2023 - \$118 and \$411) was recognized, and an adjustment of \$651 and \$2,141 (2023 - \$1,347 and \$5,021) was made to AFFO for construction funding principal received.

Maintenance Capital Expenditures

The Company monitors all of its properties for ongoing maintenance requirements. As part of the capital investments' monitoring process, items are assessed and prioritized based on the urgency and necessity of the expenditure to sustain or maintain the condition of buildings, or to meet residents' needs. The following table summarizes the Company's maintenance capital expenditures for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Building maintenance	1,443	587	3,364	1,811
Mechanical and electrical	1,063	131	3,127	2,079
Suite renovations and common area upgrades	907	696	2,492	2,016
Communications and information systems	245	67	376	408
Furniture, fixtures and equipment	519	323	1,332	1,285
Total maintenance capital expenditures	4,177	1,804	10,691	7,599
Capital Investments in Equity-Accounted Joint Ventures	263	237	541	497

Building Maintenance

Building maintenance include the costs for structures, roofing, exterior grounds, fire safety, and sprinklers. For the three and nine months ended September 30, 2024, the increase in building maintenance compared to the prior year was due to flood restoration, safety upgrades and timing of repairs.

Mechanical and Electrical

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

Suite Renovations and Common Area Maintenance

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

Communication and Information Systems

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

Furniture, Fixtures and Equipment

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

Reconciliation of Cash Flow from Operations to Adjusted Funds from Operations

The IFRS 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 September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Cash provided by operating activities	42,402	37,220	5,182	128,015	90,762	37,253
Construction funding principal	651	1,347	(696)	2,141	5,021	(2,880)
Transaction costs	119	1,893	(1,774)	1,743	2,989	(1,246)
Maintenance capital expenditures	(4,177)	(1,804)	(2,373)	(10,691)	(7,599)	(3,092)
Net change in working capital, interest and taxes	(19,554)	(20,435)	881	(44,960)	(37,382)	(7,578)
Share-based compensation expenses	(1,385)	(764)	(621)	(3,869)	(2,287)	(1,582)
AFFO of Equity-Accounted Joint Ventures	2,295	2,155	140	5,758	5,877	(119)
Adjusted funds from operations (AFFO)	20,351	19,612	739	78,137	57,381	20,756

Refer to the "Cash Flow Analysis" section for details on the change from Q3 2023 to Q3 2024 on cash flow provided by operating activities.

Financial Position Analysis

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities and equity as at September 30, 2024 compared to December 31, 2023:

Thousands of Canadian dollars	2024	2023	Change
Total assets	1,909,523	1,695,343	214,180
Total liabilities	1,418,493	1,321,572	96,921
Total equity	491,030	373,771	117,259

Total assets increased by \$214,180 to \$1,909,523 primarily due to increase in cash and cash equivalents as a result of the Company's recent equity offering, net increase in property and equipment from construction in progress mainly relating to development projects, offset by net loss equity pick-up in joint ventures, lower prepayments and deposits, and the receipt of government and construction funding.

Total liabilities increased by \$96,921 to \$1,418,493 primarily due to drawdown on construction loans, net increase in property level mortgages, increase in liability for government funding payable, income tax payable, and share-base compensation liability.

Total equity increased by \$117,259 to \$491,030 primarily due to shares issuance in Q3, SOAR shares issued in Q2, the Company's net income for period to date, partially offset by dividends declared during the period.

Cash Flow Analysis

The following table represents the summary of cash flows for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Cash provided by (used in):						
Operating activities	42,402	37,220	5,182	128,015	90,762	37,253
Investing activities	(26,946)	(9,765)	(17,181)	(77,749)	(37,816)	(39,933)
Financing activities	169,686	(13,032)	182,718	134,020	(49,508)	183,528
Increase in cash and cash equivalents during the period	185,142	14,423	170,719	184,286	3,438	180,848
Cash and cash equivalents, end of period	208,690	41,488	167,202	208,690	41,488	167,202

Third Quarter 2024

Cash inflows provided by operating activities for the three months ended September 30, 2024 increased by \$5,182 to \$42,402 primarily due to higher income from operations, and higher accounts payable and accrued liabilities as a result of timing of payments, partially offset by higher accounts receivable as a result of timing of payments.

Cash outflows used in investing activities for the three months ended September 30, 2024 increased by \$17,181 to \$26,946 primarily due to higher capital spend related to development projects.

Cash inflows from financing activities for the three months ended September 30, 2024 increased by \$182,718 to \$169,686 primarily due to proceeds from equity offering, net proceeds from property level mortgages and drawdown on construction loans, offset by repayment of outstanding credit facilities and increase in dividends payment.

Nine months ended September 30, 2024

Cash inflows provided by operating activities for the nine months ended September 30, 2024 increased by \$37,253 to \$128,015 primarily due to higher income from operation.

Cash outflows used in investing activities for the nine months ended September 30, 2024 increased by \$39,933 to \$77,749 primarily due to higher capital spend related to development projects, partially offset by no acquisition compared to the prior year.

Cash inflows from financing activities for the nine months ended September 30, 2024 increased by \$183,528 to \$134,020 primarily due to proceeds from equity offering, net proceeds from property level mortgages and drawdown on construction loans, offset by repayment of outstanding credit facilities and increase in dividends payment.

Liquidity and Capital Resources

Liquidity

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

As at September 30, 2024, the Company's liquidity was \$516,501, as follows:

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Cash and cash equivalents	208,690	24,404
Available funds from credit facilities	307,811	282,911
Total	516,501	307,315

As at September 30, 2024, the Company's share of cash and cash equivalents held in our Equity-Accounted Joint Ventures was \$3,098.

The Company had a working capital deficiency (current liabilities less current assets) of \$324,053 as at September 30, 2024, including the current portion of long-term debt of \$260,884. 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 \$995,300 as at September 30, 2024, representing an increase of \$2,400 from \$992,900 as at December 31, 2023. The increase in the unencumbered asset pool since the beginning of the year is due to an addition of two properties and removal of two properties to the unencumbered asset pool, plus updated appraisals of certain properties.

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

Debt

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

The Company's goal is to continue to optimize its debt maturity schedule over a 10-year period in order to manage interest rate and financial risks. The Company's strategy is to build a 10-year debt maturity ladder by refinancing approximately 10% of its debt annually, which is approximately \$105,803 as at September 30, 2024.

The Company's total debt is comprised as follows:

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Series A Unsecured Debentures	150,000	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Construction Loan	30,208	—
Credit facilities	—	25,000
Mortgages	592,907	542,806
Lease liability	3,638	4,131
	1,076,753	1,021,937
Fair value adjustments on assumed debt	1,810	1,792
Less: Deferred financing costs	(20,533)	(17,080)
Total debt	1,058,030	1,006,649

The following table summarizes the scheduled principal maturities of the Company's long-term debt commitments as at September 30, 2024:

Year	Thousands of Canadian dollars, except interest rate			Mortgages					Total	Consolidated Weighted Average Interest Rate on Maturing Debt
	Series A Unsecured Debentures ⁽¹⁾	Series B Unsecured Debentures ⁽²⁾	Series C Unsecured Debentures ⁽³⁾	Construction Loan	Capitalized Lease Principal Payments ⁽⁴⁾	Regular Principal Repayments	Principal Due at Maturity	Weighted Average Interest Rate on Maturing Mortgages		
2024	150,000	—	—	—	191	5,151	54,184	4.17 %	209,526	3.40 %
2025	—	—	—	—	795	17,078	41,112	3.79 %	58,985	3.79 %
2026	—	175,000	—	18,181	825	17,436	—	— %	211,442	3.74 %
2027	—	—	125,000	—	856	16,947	35,115	3.31 %	177,918	2.95 %
2028	—	—	—	—	563	12,258	125,154	3.47 %	137,975	3.47 %
2029	—	—	—	12,027	408	8,320	—	— %	20,755	6.53 %
2030	—	—	—	—	—	8,357	9,230	1.65 %	17,587	1.65 %
Thereafter	—	—	—	—	—	38,146	204,419	4.27 %	242,565	4.27 %
	150,000	175,000	125,000	30,208	3,638	123,693	469,214	3.90 %	1,076,753	3.66 %
Fair value adjustments on assumed debt									1,810	
Less: Deferred financing costs									(20,533)	
Total debt									1,058,030	

Notes:

1. The interest rate for the Series A Unsecured Debentures is 3.109%.

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

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

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Mortgages	24,563	25,262
Construction loan	27,283	22,705
Fair value adjustments on assumed debt	(2,169)	(2,318)
Less: Deferred financing costs	(11)	(11)
Total debt	49,666	45,638

Year	Principal Repayments
2024	236
2025	957
2026	28,261
2027	1,000
2028	1,023
2029	1,045
2030	1,069
Thereafter	18,255
	51,846
Fair value adjustments on assumed debt	(2,169)
Less: Deferred financing costs	(11)
Total debt	49,666

Debentures

The Series A senior unsecured debentures were issued on November 4, 2019, and bear interest at a rate of 3.109% per annum, payable semi-annually in May and November of each year and mature on November 4, 2024 (the "**Series A Unsecured Debentures**"). The Company intends to use the net proceeds from recently completed offering of Series D Senior Unsecured Debentures to repay existing indebtedness. We also have a number of other options available to us to refinance our expiring debt, including conventional mortgages, lower cost CMHC-insured mortgages, unsecured loans, and revolving credit facilities.

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

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

The balances related to the debentures are as follows:

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Series A Unsecured Debentures	150,000	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Less: Deferred financing costs	(751)	(1,257)
	449,249	448,743

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 maturing on October 17, 2029. The net proceeds will be used to repay existing indebtedness and for general corporate purposes.

Credit Facilities

The Company has a combined total borrowing capacity of \$308,500 pursuant to its credit facilities as at September 30, 2024.

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

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

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 September 30, 2024, the Company has not drawn under the Unsecured Revolving Credit Facility (December 31, 2023 - \$25,000).

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

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Credit facilities drawn	—	25,000
Less: Deferred financing costs	(690)	(637)
	(690)	24,363

Construction Loans

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

Mortgages

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

The Company has low-cost mortgage financing with CMHC. As at September 30, 2024, 69% of the Company's total property-level mortgages, including the Company's proportionate share of Equity-Accounted Joint Ventures, were insured by CMHC.

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

Thousands of Canadian dollars	September 30, 2024	December 31, 2023
Mortgages at fixed rates	505,266	430,655
Mortgages at variable rates ⁽¹⁾	87,641	112,151
Fair value adjustments on assumed debt	1,810	1,792
Less: Deferred financing costs	(19,092)	(15,122)
	575,625	529,476

Note:

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

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

	September 30, 2024			December 31, 2023
	Fixed Rate	Variable Rate	Total	Total
Weighted average interest rate ⁽¹⁾	3.94 %	3.65 %	3.90 %	3.97 %
Weighted average term to maturity (years)	7.0	1.9	6.2	5.9

Note:

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

Lease Liability

The lease liability as at September 30, 2024 of \$3,638 represents the Company's lease on its office equipment and the renewed Markham corporate office space.

Credit Ratings

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

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

Financial Covenants

The Company is in compliance with all financial covenants on its borrowings as at September 30, 2024. However, there can be no assurance that covenant requirements will be met at all times. If the Company does not remain in compliance, its ability to amend the covenants or refinance its debt could be adversely affected.

Adjusted EBITDA, as referenced in certain ratios below, is presented in accordance with defined terms in certain covenant calculations. The following table represents the reconciliation of net income to EBITDA and Adjusted EBITDA for the periods ended September 30:

Thousands of Canadian dollars	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income ⁽¹⁾	4,728	2,479	30,543	6,606
Depreciation and amortization ⁽²⁾	17,153	16,506	51,056	49,814
Net finance charges ⁽²⁾	11,380	9,624	31,921	28,576
Provision for income taxes	1,811	979	11,401	2,855
Transaction costs ⁽²⁾	121	1,989	1,745	3,280
EBITDA	35,193	31,577	126,666	91,131
Proceeds from construction funding	715	1,465	2,352	5,432
Restructuring costs	—	(1,174)	—	(1,175)
SOAR program ⁽²⁾	—	—	495	316
Adjusted EBITDA	35,908	31,868	129,513	95,704

Notes:

- For the three and nine months ended September 30, 2024, includes the One-Time & Retroactive Funding, net of tax of \$nil and \$17,365, respectively, relating to prior years.
- Includes the Company's proportionate share of Equity-Accounted Joint Ventures.

Interest Coverage Ratio

The Interest Coverage Ratio is a common measure used to assess an entity's ability to service its debt obligations. In general, higher ratios indicate a lower risk of default. The interest coverage ratio is calculated as follows for the periods ended September 30:

Thousands of Canadian dollars, except ratio	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net finance charges	10,718	9,439	30,092	28,011
Add (deduct):		—		—
Amortization of financing charges and fair value adjustments on acquired debt	(1,213)	(863)	(3,053)	(2,394)
Interest capitalized on construction	1,361	—	2,664	—
Interest income on construction funding receivable	63	118	210	411
Interest expenses from Equity-Accounted Joint Ventures	621	143	1,710	431
Other interest income ⁽¹⁾	836	527	1,650	1,308
Fair value (loss) gain on interest rate swap contracts	(1,724)	164	(2,092)	713
Net finance charges, adjusted	10,662	9,528	31,181	28,480
Adjusted EBITDA⁽²⁾	35,908	31,868	129,513	95,704
Interest coverage ratio	3.4	3.3	4.2	3.4

Note:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. For the three and nine months ended September 30, 2024, includes the One-Time & Retroactive Funding, net of tax of \$nil and \$17,365, respectively, relating to 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. Adjusted EBITDA as referenced below, is presented in accordance with defined terms in certain covenant calculations. The following is the calculation for the periods ended September 30:

Thousands of Canadian dollars, except ratio	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net finance charges, adjusted⁽¹⁾	10,662	9,528	31,181	28,480
Principal repayments ⁽¹⁾⁽²⁾	5,266	5,558	16,171	15,450
Total debt service⁽¹⁾	15,928	15,086	47,352	43,930
Adjusted EBITDA⁽³⁾	35,908	31,868	129,513	95,704
Deduct:				
Maintenance capital expenditures	(4,177)	(1,804)	(10,691)	(7,599)
Cash income tax paid	(1,039)	—	(2,695)	(4,733)
Adjusted EBITDA (for covenant calculations)	30,692	30,064	116,127	83,372
Debt service coverage ratio	1.9	2.0	2.5	1.9

Notes:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. Debt repayments on maturity and voluntary payments towards the Company's credit facilities have been excluded from the debt service coverage ratio calculation.
3. For the three and nine months ended September 30, 2024, includes the One-Time & Retroactive Funding, net of tax of \$nil and \$17,365, respectively, relating to prior years.

Debt to Adjusted EBITDA Ratio

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

Thousands of Canadian dollars, except ratio	As at September 30,	
	2024	2023
Series A Unsecured Debentures	150,000	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Construction loan	30,208	—
Credit facilities	—	25,000
Mortgages	592,907	529,928
Mortgages related to Equity-Accounted Joint Ventures	24,563	25,493
Construction loan related to Equity-Accounted Joint Venture	27,283	18,894
Lease liability ⁽¹⁾	3,638	4,317
Total indebtedness	1,128,599	1,053,632
Adjusted EBITDA ⁽¹⁾⁽²⁾	160,785	127,605
Debt to Adjusted EBITDA	7.0	8.3

Note:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. For the trailing 12 months

Debt to Adjusted Gross Book Value

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

Thousands of Canadian dollars, except ratio	As at September 30,	
	2024	2023
Total indebtedness ⁽¹⁾	1,128,599	1,053,632
Total assets ⁽¹⁾	1,962,368	1,725,765
Accumulated depreciation on property and equipment ⁽¹⁾	483,935	442,075
Accumulated amortization on intangible assets ⁽¹⁾⁽²⁾	219,499	206,596
Adjusted Gross Book Value ⁽¹⁾	2,665,802	2,374,436
Debt to Adjusted Gross Book Value	42.3 %	44.4 %

Note:

1. Includes the Company's proportionate share of Equity-Accounted Joint Ventures.
2. Includes fully amortized assets of \$170,871 as at September 30, 2024 (December 31, 2023 - \$170,871).

Equity

Share Capital

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

Thousands of Canadian dollars, except shares	Common shares	Amount
Balance, January 1, 2023	72,939,941	964,514
Long-term incentive plan, net of loans receivable	—	23
Common shares issued pursuant to SOAR program	27,225	306
Balance, December 31, 2023	72,967,166	964,843
Long-term incentive plan, net of loans receivable	—	18
Common shares issued, net of share issuance costs	9,591,000	138,959
Common shares issued pursuant to SOAR program	32,327	471
Balance, September 30, 2024	82,590,493	1,104,291

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

Normal course issuer bid

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

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

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 September 30:

Thousands of Canadian dollars	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Cash flows from operating activities	42,402	37,220	5,182	128,015	90,762	37,253
Dividends declared	(18,578)	(17,074)	(1,504)	(52,732)	(51,214)	(1,518)
Cash flows from operating activities in excess of dividends declared	23,824	20,146	3,678	75,283	39,548	35,735
AFFO	20,351	19,612	739	78,137	57,381	20,756
Dividends declared	(18,578)	(17,074)	(1,504)	(52,732)	(51,214)	(1,518)
AFFO retained	1,773	2,538	(765)	25,405	6,167	19,238

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.

Effective with Sienna's November 2024 dividend payable on December 15, 2024, Sienna is reinstating its Dividend Reinvestment Plan, which was suspended in March 2020.

Capital Disclosure

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

The Company's objectives when managing capital are to:

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

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

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

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

Contractual Obligations and Other Commitments

Leases

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

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

Other Commitments

The Company has committed to purchasing the remaining 30% interest in Nicola Lodge between November 2024 and March 2026, at the Company's discretion. The purchase price will be \$26,520, before closing costs and subject to customary closing adjustments.

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, 2023. New or changes in accounting policies are identified in Note 3 of the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2024. Please refer to those financial statements for further details.

Significant Judgments and Estimates

The critical accounting estimates used by management in applying the Company's accounting policies and the key sources of estimation uncertainty are identified in Note 3 of the Company's annual audited consolidated financial statements for the year ended December 31, 2023. Changes in significant judgments and estimates are identified in Note 3 of the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2024. Please refer to those consolidated financial statements for further details.

Risk Factors

Please refer to the latest AIF for a discussion of the Company's risk factors.

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.

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.

Controls and Procedures

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company, inclusive of its subsidiaries, is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is necessarily required to use judgment in evaluating controls and procedures.

There were no material changes in the Company's disclosure controls and procedures and internal controls over financial reporting since year-end that have a material effect, or are reasonably likely to have a material effect, on the Company's control environment.

Forward-Looking Statements

This MD&A, and the documents incorporated by reference herein, contain forward-looking information that reflects management's current expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for the Company, the senior living sector and government funding as of the date of this MD&A. Forward-looking statements are based upon a number of assumptions and involve significant known and unknown risks and uncertainties, many of which are beyond our control, the completion of acquisitions, dispositions and financing activities relating thereto, and statements with respect to the Company's ability to refinance debt maturities, that could cause actual results to differ from those that are disclosed in or implied by such forward-looking statements. The words "plan", "expect", "schedule", "estimate", "intend", "budget", "anticipate", "project", "forecast", "believe", "continue", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "should", "would", "might" occur and other similar expressions, identify forward-looking statements. While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by

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

Consolidated Financial Statements

Q3 2024 Sienna Senior Living Inc.



Cultivating happiness in daily life

Sienna
Senior Living

Condensed Interim Consolidated Financial Statements

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Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

Thousands of Canadian dollars

	Notes	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		208,690	24,404
Accounts receivable and other receivables		17,887	16,111
Prepaid expenses and deposits		7,527	10,677
Government funding receivable		3,136	5,076
Construction funding receivable	4, 5	1,421	2,559
Derivative assets		2,160	1,588
Income taxes recoverable		—	283
		240,821	60,698
Non-current assets			
Derivative assets		508	1,676
Restricted cash		2,692	2,541
Construction funding receivable	4, 5	5,208	6,212
Investment in joint ventures	20	135,471	145,664
Property and equipment	6	1,163,453	1,116,449
Intangible assets	7	196,467	197,200
Goodwill		164,903	164,903
Total assets		1,909,523	1,695,343
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	8	139,471	136,627
Government funding payable		153,649	121,539
Current portion of long-term debt	4, 9	260,884	248,496
Income taxes payable		10,870	—
Derivative liabilities		—	1,797
		564,874	508,459
Non-current liabilities			
Long-term debt	4, 9	797,146	758,153
Deferred income taxes	11	45,091	49,315
Share-based compensation liability	14	11,382	5,645
Total liabilities		1,418,493	1,321,572
EQUITY			
Shareholders' equity		491,030	373,771
Total equity		491,030	373,771
Total liabilities and equity		1,909,523	1,695,343

Commitments and contingencies (Note 21)

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

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

Thousands of Canadian dollars

	Notes	Share capital	Contributed surplus	Shareholders' deficit	Total shareholders' equity
Balance, January 1, 2024		964,843	203	(591,275)	373,771
Issuance of shares, net of share issuance costs	12	139,430	—	—	139,430
Net income		—	—	30,543	30,543
Long-term incentive plan	12	18	—	—	18
Dividends	13	—	—	(52,732)	(52,732)
Balance, September 30, 2024		1,104,291	203	(613,464)	491,030

	Notes	Share capital	Contributed surplus	Shareholders' deficit	Total shareholders' equity
Balance, January 1, 2023		964,514	203	(530,025)	434,692
Issuance of shares, net of share issuance costs	12	306	—	—	306
Net Income		—	—	6,606	6,606
Long-term incentive plan	12	16	—	—	16
Dividends	13	—	—	(51,214)	(51,214)
Balance, September 30, 2023		964,836	203	(574,633)	390,406

See accompanying notes.

Consolidated Interim Consolidated Statements of Net Income and Comprehensive Income
(Unaudited)

Thousands of Canadian dollars, except share and per share data

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Revenue	16, 19	215,332	191,974	656,805	574,626
Expenses and other items					
Operating expenses, net of government assistance		174,787	156,423	511,252	467,883
Depreciation and amortization	6, 7	12,844	12,333	38,002	37,309
Administrative	17	8,257	6,260	26,283	21,920
Share of net loss in joint ventures	20	2,068	2,168	7,489	7,053
Net finance charges	10	10,718	9,439	30,092	28,011
Transaction costs		119	1,893	1,743	2,989
	18	208,793	188,516	614,861	565,165
Income before provision for (recovery of) income taxes		6,539	3,458	41,944	9,461
Provision for (recovery of) income taxes					
Current		2,923	51	13,848	2,162
Deferred		(1,112)	928	(2,447)	693
	11	1,811	979	11,401	2,855
Net income and comprehensive income		4,728	2,479	30,543	6,606
Net income per share (basic and diluted)	12	\$0.06	\$0.03	\$0.41	\$0.09
Weighted average number of common shares outstanding	12	76,543,993	72,967,166	74,171,920	72,952,207

See accompanying notes.

Consolidated Interim Consolidated Statements of Cash Flows
(Unaudited)

Thousands of Canadian dollars

	Notes	Three months ended		Nine months ended	
		September 30,		September 30,	
		2024	2023	2024	2023
OPERATING ACTIVITIES					
Net income		4,728	2,479	30,543	6,606
Add (deduct) items not affecting cash					
Depreciation of property and equipment	6	11,840	11,854	35,632	36,008
Amortization of intangible assets	7	1,004	479	2,370	1,301
Current income tax expense		2,923	51	13,848	2,162
Deferred income tax (recovery) expense		(1,112)	928	(2,447)	693
Share of net loss in joint ventures	20	2,068	2,168	7,489	7,053
Share-based compensation expense	14	1,385	764	3,869	2,287
Shares issued pursuant to Sienna Ownership and Reward program	12	—	—	471	306
Net finance charges	10	10,718	9,439	30,092	28,011
Restructuring costs recovery		—	(1,174)	—	(1,175)
		33,554	26,988	121,867	83,252
Non-cash changes in working capital					
Accounts receivable and other receivables		(1,640)	524	(1,774)	2,780
Prepaid expenses and deposits		2,488	2,523	3,150	3,866
Accounts payable and other liabilities		5,080	(760)	1,689	(4,218)
Government funding, net		14,126	9,384	34,050	10,953
		20,054	11,671	37,115	13,381
Interest paid on long-term debt	10	(10,768)	(11,223)	(30,246)	(31,581)
Net settlement recovery on interest rate swap contracts	10	601	924	1,974	2,559
Income taxes paid		(1,039)	—	(2,695)	(4,733)
Government assistance related to pandemic expenses		—	8,860	—	27,884
Cash provided by operating activities		42,402	37,220	128,015	90,762
INVESTING ACTIVITIES					
Purchase of property and equipment	6	(33,091)	(12,197)	(95,430)	(37,819)
Government assistance related to capital expenditures	6	4,220	351	12,794	6,062
Acquisition of Woods Park		—	—	—	(14,711)
Purchase of intangible assets	7	(571)	(637)	(1,637)	(1,588)
Amounts received from construction funding	5	715	1,465	2,352	5,432
Interest received	10	827	518	1,619	1,287
Investment in joint ventures	20	—	—	(1,446)	—
Distributions received from joint ventures	20	1,000	800	4,150	2,300
Change in restricted cash		(46)	(65)	(151)	1,221
Cash used in investing activities		(26,946)	(9,765)	(77,749)	(37,816)
FINANCING ACTIVITIES					
Net proceeds from issuance of common shares	12	137,182	—	137,182	—
Repayment of long-term debt	9	(61,174)	(65,882)	(76,854)	(180,785)
Proceeds from long-term debt	9	117,568	75,053	132,164	192,116
Deferred financing costs		(6,060)	(5,129)	(6,488)	(9,625)
Dividends paid	13	(17,830)	(17,074)	(51,984)	(51,214)
Cash provided by (used in) financing activities		169,686	(13,032)	134,020	(49,508)
Increase in cash and cash equivalents during the period		185,142	14,423	184,286	3,438
Cash and cash equivalents, beginning of period		23,548	27,065	24,404	38,050
Cash and cash equivalents, end of period		208,690	41,488	208,690	41,488

See accompanying notes.

1 Organization

Sienna Senior Living Inc. (the "**Company**") and its predecessors have been operating since 1972. The Company is a seniors' living provider serving the continuum of independent living ("**IL**"), independent supportive living ("**ISL**"), assisted living ("**AL**"), memory care ("**MC**") and long-term care ("**LTC**" or "**Long-term Care**") through the ownership and operation of seniors' living residences in the Provinces of British Columbia, Saskatchewan, and Ontario. As at September 30, 2024, the Company owns and operates a total of 82 seniors' living residences: 40 retirement residences ("**RRs**" or "**Retirement Residences**") (including the Company's joint venture interest in 12 residences in Ontario and Saskatchewan, and 70% joint venture interest in one residence in Ontario); 34 LTC residences; and eight seniors' living residences providing both private-pay IL and AL and funded LTC (including the Company's joint ownership in two residences in British Columbia). The Company also provides management services to 12 seniors' living residences in British Columbia, Alberta and Ontario.

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

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

As at September 30, 2024, the Company had outstanding 82,590,493 common shares.

2 Basis of preparation

These unaudited condensed interim consolidated financial statements ("**interim consolidated financial statements**") have been prepared in accordance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*. The interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Certain prior period figures have been revised to conform to current period's presentation.

Restatement of prior period figures in Note 7 Intangible Assets

The Company retrospectively derecognized certain fully amortized resident relationships and service contracts that no longer have future economic benefits as at December 31, 2023. The derecognition reduced each of cost and accumulated amortization by \$170,871, with no impact to net book value of intangible assets. The restatement is limited to Note 7, and has no impact elsewhere on these interim consolidated financial statements.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors for issuance on November 11, 2024.

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

In preparing these condensed interim consolidated financial statements, the accounting policies utilized are consistent with those utilized in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2023, except for the amendments described below.

Adoption of new and amended accounting pronouncements

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

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

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

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

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

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024. Effective January 1, 2024, the Company adopted these requirements. The application of this

amendment did not have a material impact on the Company's condensed interim consolidated financial statements.

Accounting standards issued but not yet applied

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements around the structure of profit or loss, disclosures in financial statement 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 will assess the impact of IFRS 18 on our Consolidated Financial Statements.

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

4 Financial instruments

The following financial instruments are measured at amortized cost and the corresponding fair values as at September 30, 2024 and December 31, 2023 are disclosed in the table below:

	As at September 30, 2024		As at December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Current and long-term portion of construction funding receivable	6,629	6,281	8,771	8,364
Financial Liabilities				
Current and long-term portion of debt	1,058,030	1,050,047	1,006,649	971,609

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 September 30, 2024. A failure by the Company to comply with the obligations in these credit agreements could result in a default that, if not rectified or waived, could permit acceleration of the relevant indebtedness.

As at September 30, 2024, the Company had negative working capital (current assets less current liabilities) of \$324,053 (December 31, 2023 - \$447,761), which is primarily related to the principal amount of maturing debt of \$260,884. To support the Company's working capital deficiency, the Company has available cash from operations, access to multiple sources of financing, and a history of successfully refinancing debt.

5 Construction funding receivable

As at September 30, 2024, the Company is eligible to receive funding from the Government of Ontario of approximately \$6,629 (December 31, 2023 - \$8,771) related to the costs of developing or

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

redeveloping eligible LTC residences. The receipt of this funding is subject to the condition that the residences continue to operate as long-term care residences for the period for which the residences are entitled to the construction funding. As at September 30, 2024, the condition for the funding has been met.

As at September 30, 2024, the weighted average remaining term of the construction funding is approximately 10.3 years. The fair value of the construction funding receivable is determined by discounting the expected future cash flows of the receivable using the applicable Government of Ontario bond rates.

The following table summarizes the construction funding activity:

As at January 1, 2023	14,662
Add: Interest income earned	432
Less: Construction funding payments received	(6,323)
As at December 31, 2023	8,771
Add: Interest income earned	210
Less: Construction funding payments received	(2,352)
As at September 30, 2024	6,629
Less: Current portion	(1,421)
Long-term receivable	5,208

6 Property and equipment

	Land	Buildings	Furniture and fixtures	Automobiles	Computer hardware	Circulating equipment	Construction in progress	Right-of-use building and equipment ⁽¹⁾	Total
Cost									
As 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 ⁽²⁾	9	6,034	3,826	62	1,237	7	71,383	78	82,636
As at September 30, 2024	136,624	1,267,593	92,874	2,760	20,472	1,357	118,062	6,252	1,645,994
Accumulated depreciation									
As at January 1, 2024	—	370,267	58,310	1,795	12,917	1,222	100	2,298	446,909
Charges for the period	—	26,277	7,083	214	1,413	32	—	613	35,632
As at September 30, 2024	—	396,544	65,393	2,009	14,330	1,254	100	2,911	482,541
Net Book Value									
As at December 31, 2023	136,615	891,292	30,738	903	6,318	128	46,579	3,876	1,116,449
As at September 30, 2024	136,624	871,049	27,481	751	6,142	103	117,962	3,341	1,163,453

⁽¹⁾ Includes right-of-use building and related accumulated depreciation of \$4,227 and \$2,260, respectively (December 31, 2023 - \$4,227 and \$1,939, respectively), and the right-of-use equipment and related accumulated depreciation of \$2,025 and \$651, respectively (December 31, 2023 - \$1,947 and \$359, respectively).

⁽²⁾ Includes government-funded capital expenditures for the three and nine months ended September 30, 2024 of \$4,220 and \$12,794, respectively (2023 - \$351 and \$8,260, respectively), reduced by related government funding for the three and nine months ended September 30, 2024 of \$4,220 and \$12,794, respectively (2023 - \$351 and \$8,260, respectively). Included in the \$8,260 is \$2,198 of eligible capital expenditures incurred in 2022 for which government funding was applied in the nine months ended September 30, 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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

7 Intangible assets

	Indefinite life		Finite life		Total
	Licences	Resident relationships	Service contracts	Computer software	
Cost					
At January 1, 2023	188,569	164,393	10,968	17,445	381,375
Acquisition of Nicola	3,851	437	—	—	4,288
Derecognition ⁽¹⁾	—	(164,393)	(6,478)	—	(170,871)
Additions	—	—	—	2,327	2,327
At December 31, 2023	192,420	437	4,490	19,772	217,119
Additions	—	—	—	1,637	1,637
At September 30, 2024	192,420	437	4,490	21,409	218,756
Accumulated amortization					
At January 1, 2023	1,426	164,393	10,968	12,303	189,090
Derecognition ⁽¹⁾	—	(164,393)	(6,478)	—	(170,871)
Charges for the year	—	—	—	1,700	1,700
At December 31, 2023	1,426	—	4,490	14,003	19,919
Charges for the period	—	109	—	2,261	2,370
At September, 2024	1,426	109	4,490	16,264	22,289
Net book value					
At December 31, 2023	190,994	437	—	5,769	197,200
At September 30, 2024	190,994	328	—	5,145	196,467

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

8 Accounts payable and other liabilities

	September 30, 2024	December 31, 2023
Accounts payable and other liabilities	56,036	53,325
Accrued wages and benefits	70,542	72,207
Accrued interest payable	6,391	5,224
Dividends payable (Note 13)	6,442	5,690
Restructuring provision ⁽¹⁾	60	181
Total	139,471	136,627

⁽¹⁾ In 2022, the Company announced the closure of one of its LTC residences and recognized a corresponding restructuring provision. During the three and nine months ended September 30, 2024, the Company utilized \$nil and \$121, respectively, from the provision.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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

9 Long-term debt

	Interest rate	Maturity date	September 30, 2024	December 31, 2023
Series A Unsecured Debentures	3.109 %	November 4, 2024	150,000	150,000
Series B Unsecured Debentures	3.450 %	February 27, 2026	175,000	175,000
Series C Unsecured Debentures	2.820 %	March 31, 2027	125,000	125,000
Construction Loans	Floating	2026-2029	30,208	—
Credit facilities ¹	Floating	March 19, 2029	—	25,000
Mortgages at fixed rates	1.65% - 5.80%	2024-2041	505,266	430,655
Mortgages at variable rates	Floating	2024-2029	87,641	112,151
Lease liability	2.58% - 3.83%	2024-2029	3,638	4,131
			1,076,753	1,021,937
Fair value adjustments on acquired debt			1,810	1,792
Less: Deferred financing costs			(20,533)	(17,080)
Total debt			1,058,030	1,006,649
Less: Current portion			(260,884)	(248,496)
			797,146	758,153

⁽¹⁾ In June 2024, the Company extended its credit facilities with a syndicate of lenders for an additional two-year period expiring on March 19, 2029, substantially the same terms and conditions as the pre-existing agreement. Borrowings under the credit facilities bear an interest at Canadian Overnight Repo Rate Average plus credit spread adjustment plus 145 bps per annum (formerly under the discontinued banker's acceptance rate plus 145 bps per annum).

Credit facilities

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

	September 30, 2024	December 31, 2023
Credit facilities available	308,500	308,500
Amounts drawn under credit facilities	—	(25,000)
Utilized for letters of credit (Note 21)	(689)	(589)
Remaining available balance under credit facilities	307,811	282,911

Mortgages

The following table summarizes the scheduled maturities of the Company's property-level mortgages as at September 30, 2024:

Year	Mortgages		Total	% of Total
	Regular Principal Repayments	Principal Due at Maturity		
2024	5,151	54,184	59,335	10.0%
2025	17,078	41,112	58,190	9.8%
2026	17,436	—	17,436	2.9%
2027	16,947	35,115	52,062	8.8%
2028	12,258	125,154	137,412	23.2%
2029	8,320	—	8,320	1.4%
2030	8,357	9,230	17,587	3.0%
Thereafter	38,146	204,419	242,565	40.9%
	123,693	469,214	592,907	100%

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

10 Net finance charges

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Finance costs				
Interest expense on mortgages	6,140	5,888	18,079	16,108
Interest expense on debentures	3,583	3,585	10,670	10,640
Interest on unsecured term loan	—	—	—	1,176
Interest expense on construction loan	560	—	634	—
Interest expense on credit facilities	314	786	1,920	2,552
Interest expense on right-of-use assets	36	41	111	111
Amortization of financing charges and fair value adjustments on acquired debt	1,213	863	3,053	2,394
Net settlement receipt on interest rate swap contracts	(601)	(924)	(1,974)	(2,559)
Fair value loss (gain) on interest rate swap contracts	1,724	(164)	2,092	(713)
	12,969	10,075	34,585	29,709
Less: Interest capitalized on qualifying development projects	(1,361)	—	(2,664)	—
Net finance costs	11,608	10,075	31,921	29,709
Finance income				
Interest income on construction funding receivable	63	118	210	411
Other interest income	827	518	1,619	1,287
	890	636	1,829	1,698
Net finance charges	10,718	9,439	30,092	28,011

For the three and nine month period ended September 30, 2024, the Company capitalized interest expense related to qualifying development projects of \$1,361 and \$2,664 respectively (2023 - nil respectively).

11 Income taxes

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Income before provision for income taxes	6,539	3,458	41,944	9,461
Canadian combined income tax rate	26.59 %	26.59 %	26.59 %	26.59 %
Income tax expense	1,739	920	11,153	2,516
Adjustments to income tax provision:				
Non-deductible items	67	21	276	191
Book to filing adjustment	5	—	(28)	31
Other items	—	38	—	117
Provision for income taxes	1,811	979	11,401	2,855

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

The following are the deferred tax assets (liabilities) recognized by the Company and movements thereon during the nine months ended September 30, 2024:

	Depreciable tangible and intangible assets	Share issuance	Construction funding interest	Other	Total
As at January 1, 2023	(50,313)	958	666	622	(48,067)
Credit (charge) to net income	(1,773)	(239)	(114)	2,453	327
Book to filing adjustment	(25)	—	(12)	(1,538)	(1,575)
As at December 31, 2023	(52,111)	719	540	1,537	(49,315)
Credit (charge) to net income	136	(446)	(56)	2,729	2,363
Book to filing adjustment	(200)	—	—	284	84
Credit to equity	—	1,777	—	—	1,777
As at September 30, 2024	(52,175)	2,050	484	4,550	(45,091)

12 Share capital

Authorized

Unlimited number of common shares, without nominal or par value

Unlimited number of preferred shares, without nominal or par value

Issued and outstanding

	Common shares	Amount
Balance, January 1, 2023	72,939,941	964,514
Long-term incentive plan, net of loans receivable	—	23
Common shares issued pursuant to SOAR program	27,225	306
Balance, December 31, 2023	72,967,166	964,843
Long-term incentive plan, net of loans receivable	—	18
Common shares issued, net of share issuance costs	9,591,000	138,959
Common shares issued pursuant to SOAR program	32,327	471
Balance, September 30, 2024	82,590,493	1,104,291

On August 28, 2024, the Company completed a bought-deal offering of 9,591,000 common shares of the Company at a price of \$15.00 per common share for aggregate gross proceeds of \$143,865. Costs related to the issuance totaled \$4,906, net of taxes of \$1,777 (Note 11), and were recorded against shareholders' equity.

Normal course issuer bid

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

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

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

Net income (loss) per share

Net income (loss) per share is calculated using the weighted average number of common shares outstanding for the three and nine months ended September 30, 2024.

13 Dividends

For the three and nine months ended September 30, 2024, the Company paid monthly dividends of \$0.078 per common share totaling \$17,830 and \$51,984, respectively (2023 - \$17,074 and \$51,214, respectively). Dividends payable of \$6,442 are included in accounts payable and other liabilities as at September 30, 2024 (December 31, 2023 - \$5,690). Subsequent to September 30, 2024, the Board of Directors declared dividends of \$0.078 per common share for October 2024 totaling \$6,442.

14 Share-based compensation

Restricted share units plan ("RSUP")

Total expenses related to the RSUP for the three and nine months ended September 30, 2024 were \$1957 and \$4,776, respectively (2023 - \$363 and \$1,136, respectively), including mark-to-market adjustments and net of forfeitures, which were recognized in administrative expenses. During the nine months ended September 30, 2024, 84,325 RSUs vested (2023 - 25,121) and were settled in cash, resulting in a decrease of \$1,117 to the share-based compensation liability (2023 - \$312). The total liability recorded as part of the share-based compensation liability as at September 30, 2024 was \$6,094 (December 31, 2023 - \$2,435).

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

	Number of RSUs
Outstanding, January 1, 2023	269,657
Granted	235,265
Forfeited	(54,855)
Dividends reinvested & forfeiture	28,192
Settled in cash	(25,121)
Outstanding, December 31, 2023	453,138
Granted	236,455
Forfeited	(47,709)
Dividends reinvested & forfeiture	29,073
Settled in cash	(84,325)
Outstanding, September 30, 2024	586,632

Deferred share units plan ("DSUP")

Total expenses (recoveries) related to the DSUP for the three and nine months ended September 30, 2024 were \$633 and \$1438, respectively (2023 - \$(153) and \$594, respectively), including mark-to-market adjustments, which were recognized in administrative expenses. During the nine months ended September 30, 2024, 17,691 DSUs vested (2023 - nil) and were settled in cash, resulting in a decrease of

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

\$235 to the share-based compensation liability (2023 - \$nil). The total liability recorded related to the DSUP as a part of the share-based compensation liability as at September 30, 2024 was \$3,255 (December 31, 2023 - \$2,052). The value of each deferred share unit is measured at each reporting date and is equivalent to the fair value of a common share at the reporting date.

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

	Number of DSUs
Outstanding, January 1, 2023	461,635
Granted	46,639
Forfeited	(505)
Dividends reinvested & forfeiture	39,765
Settled in cash	(368,943)
Outstanding, December 31, 2023	178,591
Granted	23,848
Dividends reinvested & forfeiture	9,002
Settled in cash	(17,691)
Outstanding, September 30, 2024	193,750

Executive deferred share units plan ("EDSUP")

Total expenses related to the EDSUP for the three and nine months ended September 30, 2024 were \$381 and \$931, respectively (2023 - \$29 and \$407, respectively), including mark-to-market adjustments, which were recognized in administrative expenses. During the nine months ended September 30, 2024, 4,193 EDSUs vested (2023 - 19,813) and settled in cash, resulting in a decrease of \$56 to share-based compensation liability (2023 - \$225). The total liability recorded related to the EDSUP as a part of the share-based compensation liability as at September 30, 2024 was \$2,033 (December 31, 2023 - \$1,158). The value of each vested EDSU is measured at each reporting date and is equivalent to the fair value of a common share of the Company at the reporting date.

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

	Number of EDSUs
Outstanding, January 1, 2023	124,693
Granted	20,369
Forfeited	(2,092)
Dividends reinvested & forfeiture	10,229
Settled in cash	(19,813)
Outstanding, December 31, 2023	133,386
Forfeited	(662)
Dividends reinvested & forfeiture	6,142
Settled in cash	(4,193)
Outstanding, September 30, 2024	134,673

Total return swap contracts and mark-to-market adjustments on share-based compensation

Share-based compensation expense, under Notes 15 and 17, includes a fair value (gain) loss on Total Return Swap contracts for the three and nine months ended September 30, 2024 of \$(1,586) and \$(3,276), respectively (2023 - \$525 and \$150, respectively) and mark-to-market expense (gain) on share-based compensation liability for the three and nine months ended September 30, 2024 of \$1,662 and \$4,103, respectively (2023 - \$(480) and \$231, respectively).

15 Key management compensation

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Salaries and short-term employee benefits	1,503	1,424	5,122	3,872
Share-based compensation expense (Note 14)	949	743	3,024	2,103
	2,452	2,167	8,146	5,975

16 Economic dependence

The Company holds licences related to each of its LTC residences and receives funding from the applicable health authorities related to those licences, which are included in revenues. In addition, the Company has received government assistance to support pandemic related expenses for LTC and Retirement Residences. Funding for incremental COVID-19 costs is provided in addition to ongoing long-term care funding, all of which are subject to periodic reconciliations with the regulatory authorities. Funding for incremental COVID-19 costs is required to be spent entirely on resident care, with any excess amounts not allocated to direct resident care or pandemic expenses required to be returned to the regulatory authorities. During the three and nine months ended September 30, 2024, the Company received approximately \$143,778 and \$439,574, respectively, (2023 - \$131,796 and \$393,321, respectively) in funding.

Approximately 87% and 73% (2023 - 83% and 65%) of revenue from the Company's Ontario LTC residences and British Columbia LTC residences is received from the applicable health authorities, respectively. The rest of the LTC segment's revenue are received from resident co-payments.

17 Administrative expenses

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
General and administrative expenses	6,872	6,688	21,943	20,494
SOAR program	—	—	471	306
Restructuring costs ⁽¹⁾	—	(1,174)	—	(1,175)
Share-based compensation expense	1,385	764	3,869	2,287
Pandemic related expenses	—	(18)	—	8
Total administrative expenses	8,257	6,260	26,283	21,920

⁽¹⁾ In 2022, the Company announced the closure of one of its LTC residences and recognized a restructuring provision as a result. During the three months and nine months ended September 30, 2023, the Company adjusted down the provision by \$1,174 and \$1,767 respectively, based on best estimates. During the first quarter of 2023, the Company also recognized restructuring costs of \$592 related to reduction of employees at our corporate office.

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18 Expenses and other items by category

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Salaries, benefits and people costs	133,215	114,072	387,303	337,854
Depreciation and amortization	12,844	12,333	38,002	37,309
Food	10,080	8,890	28,452	26,199
Purchased services and non-medical supplies	8,033	6,910	23,379	20,406
Property taxes	3,729	3,698	11,072	11,084
Utilities	4,503	5,119	14,675	15,887
Share of net loss in joint ventures	2,068	2,168	7,489	7,053
Net finance charges	10,718	9,439	30,092	28,011
Share-based compensation expense	1,385	764	3,869	2,287
Transaction costs	119	1,893	1,743	2,989
Restructuring costs	—	(1,174)	—	(1,175)
SOAR program	—	—	471	306
Other ⁽¹⁾	22,099	23,456	68,314	75,646
Total expenses before net pandemic expenses	208,793	187,568	614,861	563,856
Pandemic labour	—	6,293	—	19,884
Other pandemic related expenses	—	422	—	2,309
Government assistance	—	(5,767)	—	(20,884)
Net pandemic expenses ⁽²⁾	—	948	—	1,309
Total expenses and other items	208,793	188,516	614,861	565,165

⁽¹⁾ Other expenses primarily relates to maintenance and equipment expenses, supplies, professional fees and insurance.

⁽²⁾ Effective January 1, 2024, the Company began classifying all funding that started during the pandemic and continued to-date as revenue, instead of presenting them as net pandemic expenses. This is considering the World Health Organization has downgraded the global health emergency in 2023 and the pandemic funding is continuing based on the latest information on the government's budget. With these two points, the Company views any remaining pandemic funding as ordinary business income and no longer temporary in nature. The corresponding expenses are included in the respective expense categories above.

19 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.

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The Company is comprised of the following main business segments:

- Retirement - this segment consists of 40 RRs, of which five retirement residences are located in Saskatchewan, four of which are located in British Columbia and 31 of which are located in Ontario, and the RR management services business;
- LTC - this segment consists of 34 LTC residences located in Ontario, eight seniors' living residences located in British Columbia and the LTC management services business; and
- Corporate, Eliminations and Other - this segment represents the results of head office, intercompany eliminations and other items that are not allocated to the segments.

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	Three months ended September 30, 2024				Total
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽⁴⁾	
Gross revenue	56,225	172,585	19,892	(9,443)	239,259
Less: Internal revenue	—	(4,035)	(19,892)	—	(23,927)
Net revenue	56,225	168,550	—	(9,443)	215,332
Operating expense, net of government assistance ⁽²⁾	35,624	145,702	—	(6,539)	174,787
Depreciation and amortization	9,820	5,806	1,527	(4,309)	12,844
Administrative expense ⁽²⁾	—	—	8,257	—	8,257
Share of net loss in joint venture	—	—	—	2,068	2,068
Finance costs	6,909	1,688	3,681	(670)	11,608
Finance income	(9)	(119)	(771)	9	(890)
Transaction costs	(90)	45	166	(2)	119
Provision for income taxes	—	—	1,811	—	1,811
Net income (loss)	3,971	15,428	(14,671)	—	4,728
Purchase of property and equipment ⁽³⁾	10,250	18,063	558	—	28,871
Purchase of intangible assets	—	4	567	—	571

⁽¹⁾ For the three months ended September 30, 2024, the Retirement segment recognized accommodation revenues of \$26,426 and service revenues of \$29,799.

⁽²⁾ Includes net pandemic expense of \$nil.

⁽³⁾ Includes government-funded capital expenditures for the three months ended September 30, 2024 of \$4,220.

⁽⁴⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the condensed interim consolidated interim financial statements.

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

	Three months ended September 30, 2023				Total
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽⁴⁾	
Gross revenue	50,705	153,115	11,773	(7,866)	207,727
Less: Internal revenue	—	(3,980)	(11,773)	—	(15,753)
Net revenue	50,705	149,135	—	(7,866)	191,974
Operating expense, net of government assistance ⁽²⁾	32,180	129,823	—	(5,580)	156,423
Depreciation and amortization	9,784	5,594	1,128	(4,173)	12,333
Administrative expense ⁽²⁾	—	(1,174)	7,434	—	6,260
Share of net loss in joint venture	—	—	110	2,058	2,168
Finance costs	3,810	1,773	4,686	(194)	10,075
Finance income	(8)	(164)	(473)	9	(636)
Transaction costs	(18)	1,536	361	14	1,893
Provision for income taxes	—	—	979	—	979
Net income (loss)	4,957	11,747	(14,225)	—	2,479
Purchase of property and equipment, net of disposals ⁽³⁾	1,818	10,336	608	—	12,762
(Disposal) purchase of intangible assets	—	—	637	—	637

⁽¹⁾ For the three months ended September 30, 2023, the Retirement segment recognized accommodation revenues of \$24,845 and service revenues of \$25,860.

⁽²⁾ Includes net pandemic expense (recovery) of \$155 for Retirement, \$809 for LTC and \$(18) for corporate, eliminations and other.

⁽³⁾ Includes pandemic capital expenditures in the LTC segment for the three months ended September 30, 2023 of \$351, fully funded by related government assistance.

⁽⁴⁾ Adjustments to present Sienna-Sabra LP using the equity method, as applied in the condensed consolidated interim financial statements.

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

	Nine months ended September 30, 2024				
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Ventures ⁽⁴⁾	Total
Gross revenue	164,429	531,140	56,845	(26,841)	725,573
Less: Internal revenue	—	(11,923)	(56,845)	—	(68,768)
Net revenue	164,429	519,217	—	(26,841)	656,805
Operating expense, net of government assistance ⁽²⁾	106,039	424,659	—	(19,446)	511,252
Depreciation and amortization	29,563	17,617	3,876	(13,054)	38,002
Administrative expense ⁽²⁾	—	—	26,283	—	26,283
Share of net loss in joint ventures	—	—	—	7,489	7,489
Finance costs	16,944	5,114	11,722	(1,859)	31,921
Finance income	(31)	(402)	(1,427)	31	(1,829)
Transaction costs	70	970	705	(2)	1,743
Provision for income taxes	—	—	11,401	—	11,401
Net income (loss)	11,844	71,259	(52,560)	—	30,543
Purchase of property and equipment ⁽³⁾	29,420	52,302	914	—	82,636
Purchase of intangible assets	4	4	1,629	—	1,637

⁽¹⁾ For the nine months ended September 30, 2024, the Retirement segment recognized accommodation revenues of \$77,282 and service revenues of \$87,147.

⁽²⁾ Includes net pandemic expense of \$nil.

⁽³⁾ Includes government-funded capital expenditures for the nine months ended September 30, 2024 of \$12,794.

⁽⁴⁾ Adjustments to present Sienna-Sabra LP and Sienna-RSH Niagara Falls LP using the equity method, as applied in the condensed interim 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

	Nine months ended September 30, 2023				
	Retirement ⁽¹⁾	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽⁴⁾	Total
Gross revenue	149,841	459,893	52,350	(23,168)	638,916
Less: Internal revenue	—	(11,940)	(52,350)	—	(64,290)
Net revenue	149,841	447,953	—	(23,168)	574,626
Operating expense, net of government assistance ⁽²⁾	95,309	389,434	—	(16,860)	467,883
Depreciation and amortization	29,232	16,686	3,896	(12,505)	37,309
Administrative expense ⁽²⁾	—	(1,767)	23,687	—	21,920
Share of net loss in joint ventures	—	—	277	6,776	7,053
Finance costs	9,865	4,956	15,474	(586)	29,709
Finance income	(22)	(547)	(1,150)	21	(1,698)
Transaction costs	6	2,151	846	(14)	2,989
Provision for income taxes	—	—	2,855	—	2,855
Net income (loss)	15,451	37,040	(45,885)	—	6,606
Purchase of property and equipment, net of disposals ⁽³⁾	16,673	37,964	1,222	—	55,859
(Disposal) purchase of intangible assets	—	—	1,588	—	1,588

⁽¹⁾ For the nine months ended September 30, 2023, the Retirement segment recognized accommodation revenues of \$73,422 and service revenues of \$76,419.

⁽²⁾ Includes net pandemic expense of \$101 for Retirement, \$1,200 for LTC and \$8 for corporate, eliminations and other.

⁽³⁾ Includes pandemic capital expenditures for the nine months ended September 30, 2023 of \$8,260, which were fully funded by government related assistance.

⁽⁴⁾ Adjustments to present Sienna-Sabra LP using the equity method, as applied in the condensed interim consolidated financial statements.

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	As at September 30, 2024				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total assets	885,194	878,948	198,226	(52,845)	1,909,523

	As at December 31, 2023				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture	Total
Total assets	873,753	821,832	25,667	(25,909)	1,695,343

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

	As at September 30, 2024				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture ⁽¹⁾	Total
Total liabilities	493,743	438,627	538,968	(52,845)	1,418,493

	As at December 31, 2023				
	Retirement	LTC	Corporate, eliminations and other	Adjustments for Joint Venture	Total
Total liabilities	414,528	374,523	558,430	(25,909)	1,321,572

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

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20 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 September 30, 2024:

Joint Arrangements	Number of properties	Sienna ownership	Joint arrangement type	Accounting treatment	Investment in joint venture balance as at September 30, 2024	Share of net loss from joint venture for the nine months ended September 30, 2024
Sienna-RSH Niagara Falls LP ⁽¹⁾	1	70%	Joint venture	Equity	5,161	(2,172)
Sienna-Sabra LP	12	50%	Joint venture	Equity	130,310	(5,317)
Sienna Baltic Development LP ⁽²⁾	2	70%/77%	Joint operation	Proportionate	N/A	N/A
					135,471	(7,489)

⁽¹⁾ Sienna-RSH Niagara Falls LP owns 70% of Elgin Falls Retirement Community.

⁽²⁾ Sienna Baltic Development LP owns 70% of Nicola Lodge Care Community and 77% of Glenmore Lodge Care Community.

Joint ventures

Sienna-RSH Niagara Falls LP

On February 7, 2020, the Company formed a joint venture with a third party for the purpose of developing a retirement residence in Niagara Falls, Ontario, which began operating in Q1 2024. The Company owns a 70% interest in this joint venture. The Company has accounted for this joint venture using the equity method of accounting, since this joint arrangement is structured through a separate legal vehicle, and the Company has rights to the net assets of the arrangement.

The following tables outline the Company's investment in this joint venture, and the Company's share of the joint venture's net loss.

Investment in joint venture as at January 1, 2024	5,887
Contributions to joint venture	1,446
Share of net loss in joint venture	(2,172)
Investment in joint venture as at September 30, 2024	5,161

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Statements of Financial Position of Joint Venture	September 30, 2024	December 31, 2023
Current assets	277	609
Long-term assets	46,964	41,832
Total assets	47,241	42,441
Current liabilities	892	1,595
Long-term liabilities	38,976	32,436
Total liabilities	39,868	34,031
Net assets	7,373	8,410
Sienna's share of net investment in joint venture (70%)	5,161	5,887

Statements of Net Income of Joint Venture	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	909	—	1,844	—
Expenses and other items				
Operating expenses	856	157	2,492	395
Depreciation and amortization	123	—	606	—
Net finance charges	691	—	1,849	—
	1,670	157	4,947	395
Net loss	(761)	(157)	(3,103)	(395)
Sienna's share of net loss in joint venture (70%)	(533)	(110)	(2,172)	(277)

Sienna-Sabra LP ("SSLP")

On January 25, 2022, the Company formed a joint venture with a third party for the purpose of owning and operating retirement residences. 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
Distribution received from joint venture	(4,150)
Share of net loss in joint venture	(5,317)
Investment in joint venture as at September 30, 2024	130,310

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Statements of Financial Position of Joint Venture	September 30, 2024	December 31, 2023
Current assets	9,303	8,403
Long-term assets	301,191	322,969
Total assets	310,494	331,372
Current liabilities	6,751	7,416
Long-term liabilities	43,123	44,403
Total liabilities	49,874	51,819
Net assets	260,620	279,553
Sienna's share of net investment in joint venture (50%)	130,310	139,777

Statements of Net Income of Joint Venture	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	17,613	15,731	51,100	46,336
Expenses and other items				
Operating expenses	11,879	11,160	35,402	33,721
Depreciation and amortization	8,445	8,346	25,259	25,010
Net finance charges	355	369	1,068	1,130
Transaction costs	4	(28)	4	27
	20,683	19,847	61,733	59,888
Net loss	(3,070)	(4,116)	(10,633)	(13,552)
Sienna's share of net loss in joint venture (50%)	(1,535)	(2,058)	(5,317)	(6,776)

Related party transactions occur between Sienna and its joint ventures. These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. Except as disclosed elsewhere in these annual consolidated financial statements, the related party balances are included in accounts receivable and payable, and in management fee revenue, as applicable. As of September 30, 2024, \$116 (December 31, 2023 - \$919) of the Company's accounts receivable related to its investments in joint ventures. For the three and nine months ended September 30, 2024, \$351 and \$1,044, respectively (2023 - \$318 and \$944, respectively) of the Company's management fees related to its investment in joint ventures.

Joint operations

Sienna Baltic Development LP

The Company has accounted for its joint arrangement in Nicola Lodge Care Community ("Nicola Lodge") and Glenmore Lodge Care Community ("Glenmore Lodge") as a joint operation, since it has rights to the assets and obligations for the liabilities related to Nicola Lodge and Glenmore Lodge.

The following tables outline the net assets and net income for Nicola Lodge and Glenmore Lodge, and the Company's share of 70% of Nicola Lodge and 77% of Glenmore Lodge that has been recognized in the consolidated financial statements.

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Statements of Financial Position of Joint Operation	September 30, 2024	December 31, 2023
Current assets	9,323	10,650
Long-term assets	100,633	103,018
Total assets	109,956	113,668
Current liabilities	12,220	13,557
Long-term liabilities	57,515	58,603
Total liabilities	69,735	72,160
Net assets	40,221	41,508
Sienna's share of net assets	28,766	29,664

As at September 30, 2024, the Company's share of net assets in Nicola Lodge and Glenmore Lodge was \$22,248 and \$6,518, respectively (December 31, 2023 - \$23,175 and \$6,489, respectively).

Statements of Net Income of Joint Operation	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	10,756	10,314	33,840	30,622
Expenses and other items				
Operating, net	8,535	8,645	25,207	24,413
Depreciation and amortization	749	629	2,470	1,939
Net finance charges	615	622	1,823	1,915
Net income	857	418	4,340	2,355
Sienna's share of net income	620	198	3,192	1,144

For the three months ended September 30, 2024, the Company's share of net income in Nicola Lodge and Glenmore Lodge was \$411 and \$209, respectively (2023 - \$135 and \$63, respectively).

For the nine months ended September 30, 2024, the Company's share of net income in Nicola Lodge and Glenmore Lodge was \$1,551 and \$1,641, respectively (2023 - \$725 and \$419, respectively).

On September 14, 2023, the Company entered into an agreement to acquire the remaining 60% interest in Nicola Lodge, over two closings. The first closing took place on December 31, 2023. The second closing will be between November 2024 and March 2026, at the Company's discretion.

21 Commitments and contingencies

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

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

As at September 30, 2024, the Company was contingently liable for letters of credit in the amount of \$689 (December 31, 2023 - \$589).

The Company has committed to purchasing the remaining 30% interest in Nicola Lodge, between November 2024 and March 2026, at the Company's discretion. The purchase price will be \$26,520,

before closing costs and subject to customary closing adjustments. The purchase price will be financed through the assumption of existing mortgage (estimated to be \$11,600 in November 2024) and the Company's available cash.

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 condensed interim consolidated financial statements as at September 30, 2024.

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

Pay Equity Claim Proceedings

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

Given the current status of the various proceedings and significant number of judgements required in establishing the pay equity framework that will impact the measurement of any potential provision, including ongoing discussions with the unions amongst the parties, management has assessed the conditions required for a provision and have concluded that it is not possible to reliably measure the

potential outflow of resources, and accordingly no provision has been recorded in the consolidated financial statements as at September 30, 2024.

22 Subsequent Event

Alberta Portfolio Acquisition

On October 16, 2024, the Company has entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat (the "**Portfolio**" or "**Acquisition**") for an aggregate purchase price of \$181.6 million. The Company will finance the Acquisition and its related transaction costs through a combination of: (i) assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.7 years; and (ii) the proceeds from the Company's recent equity raise. The Company expects the completion of the Acquisition to occur early in 2025.

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 maturing on October 17, 2029.

Acquisition of Remaining 30% of Interest in Nicola Lodge

In October 2024, the Company notified the Fraser Health Authorities of its intent to purchase the remaining 30% interest of Nicola Lodge. The acquisition will be financed with proceeds from Sienna's equity raise in August 2024 and the assumption of the remaining share of the in-place mortgage. The transaction is expected to close in the first quarter of 2025.

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