SIENNA SENIOR LIVING INC.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2022

March 1, 2023

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GENERAL MATTERS

The information contained in this Annual Information Form ("**AIF**") is stated as at March 1, 2023, unless otherwise indicated.

All references in this AIF to "**Sienna**" and the "**Company**", unless the context otherwise requires, means Sienna Senior Living Inc. ("**SSLI**") and its direct and indirect subsidiary entities.

Market data and other statistical information used in this AIF are based on independent sector publications, government publications, reports by market research firms, or other published independent sources, including the Ontario Ministry of Long-term Care ("**MLTC**"), Canada Mortgage and Housing Corporation ("**CMHC**"), CBRE Limited, Ontario Health (Home and Community Care Support Services), Statistics Canada and National Investment Center for Senior Housing & Care Investment Guide (the "**NIC Investment Guide**"). Some data is also based on the Company's good faith estimates that are derived from its review of internal data and information, as well as independent sources, including those listed above. Although the Company believes these sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy or completeness.

All dollar amounts in this AIF are expressed in Canadian dollars and references to "$" are to Canadian dollars, unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may be considered "forward-looking information" as defined under applicable securities laws ("**forward-looking statements**"), that reflects management's current expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for the Company, the seniors' living sector and government funding as of the date of this AIF. Forward-looking statements are based upon a number of assumptions and involve significant known and unknown risks and uncertainties, many of which are beyond the Company's control, including the ongoing impact of the COVID-19 pandemic on the Company's operations and financial condition, the seniors' living sector and the potential efficacy and availability of COVID-19 vaccines, each of which could cause actual results to differ from those that are disclosed in or implied by such forward-looking statements. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding, without limitation, possible events, statements with respect to possible events, expected capital expenditures, capital requirements, government regulation and funding of the seniors' living sector, the Company's objectives and profile within the sector, its relationship with its employees and its ability to refinance debt maturities. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "projects", "estimates", "forecasts", "intends", "continues", "anticipates", "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "should", "would", "might" or "will" "be taken", "occur", "continue" or "be achieved".

Forward-looking statements in this AIF include, but are not limited to statements made in the sections of this AIF entitled: "General Development of the Business", "Sector Overview", "Business of the Company", "Risk Factors", "Dividend Policy", "Description of Capital Structure" and "Indebtedness". These forward-looking statements reflect the current expectations of the Company's management regarding future events and operating performance, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, but are not limited to:

- the ongoing impact of the COVID-19 global pandemic,

- actual future market conditions being different than anticipated by the Company's management,
- material changes to governmental policy or regulations affecting the Company's operations,
- material shifts in demographic or economic trends,
- the impact of inflation, rising interest rates, staffing challenges, supply chain issues and construction cost increases,
- volatility in financial markets,
- the impact of climate change, and
- the risks described under "Risk Factors" and those risks discussed from time to time in the Company's other public filings on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), accessible at www.sedar.com.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Material estimates or assumptions that were applied in drawing a conclusion, which may prove to be incorrect, include, but are not limited to, the following:

- management's views regarding current and anticipated market and economic conditions and the competitive landscape,
- management's views as to demographic trends,
- expected government priorities and spending,
- an absence of material or substantive changes to financial markets and to governmental and/or environmental policy or regulations affecting the Company's operations,
- the Company's ability to recruit and retain qualified personnel and maintain good relationships with its employees, including its unionized employees,
- the Company's ability to successfully execute on its growth strategies and strategic priorities, including the renewal of maturing debt in due course,
- the successful completion of any acquisitions, dispositions or joint venture arrangements on the terms and conditions and at the times expected,
- the ongoing impact and development of the COVID-19 pandemic on the Company's operations, business and financial results, and
- the financial and operating attributes of the Company as at the date hereof.

Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. **Although forward-looking statements contained in this AIF are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.** The forward-looking statements in this AIF speak only as of the date of this AIF. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

NON-IFRS MEASURES

This AIF uses certain supplemental measures of key performance that are not measures recognized under International Financial Reporting Standards (“**IFRS**”) and do not have standardized meanings prescribed by IFRS, including net operating income (“**NOI**”). For the definitions of the non-IFRS measures used by the Company as well as a full reconciliation of certain of those measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, please refer to page 2 of the Management’s Discussion and Analysis for the Company dated as of February 23, 2023 (“**MD&A**”) for the year ended December 31, 2022 which is incorporated by reference and available electronically under the Company’s SEDAR profile at www.sedar.com.

SIENNA

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 (“**long-term care**”) through the ownership and operation of seniors’ living residences in the Provinces of Ontario, Saskatchewan and British Columbia. As at December 31, 2022, the Company owns and operates a total of 80 seniors’ living residences: 38 retirement residences (“**retirement residences**”) (including the Company’s 50% joint venture interest in twelve retirement residences in Ontario and Saskatchewan); 34 long-term care communities (“**long-term care communities**”); and eight seniors’ living residences providing both private-pay IL/AL and funded long-term care (including the Company’s joint ownership in two residences in British Columbia). The Company also provides management services to an additional 13 seniors’ living residences in the Provinces of Ontario and British Columbia.

CORPORATE STRUCTURE

Incorporation and Name Change

Sienna Senior Living Inc. was incorporated under the *Business Corporations Act* (Ontario) as Leisureworld Senior Care Corporation on February 10, 2010 and was subsequently continued under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on March 18, 2010. The Company closed the initial public offering (the “**IPO**”) of its common shares (“**Common Shares**”) on March 23, 2010. In connection with a Company-wide rebranding initiative that took effect on May 1, 2015, the Company changed its name from Leisureworld Senior Care Corporation to Sienna Senior Living Inc., pursuant to the filing of a Notice of Alteration with the British Columbia Registry Services on April 23, 2015. In connection with the name change to Sienna Senior Living Inc., the Common Shares commenced trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “SIA”.

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 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

The Company’s business is carried on through a number of wholly owned limited partnerships formed under the laws of the Province of Ontario. In addition, the Company holds a 50% ownership interest in twelve retirement residences located in Ontario and Saskatchewan acquired in a joint venture with Sabra Health Care REIT Inc. (“**Sabra**”).

Intercorporate Relationships

The following chart illustrates, in simplified form, the structure of the Company and its material subsidiaries as at March 1, 2023 (including jurisdiction of establishment/incorporation of various entities):

Name	Jurisdiction	Shareholder	Holdings
Sienna Senior Living Inc.	British Columbia	Public	100%
Leisureworld Senior Care LP	Ontario	Sienna Senior Living Inc.	100%
The Royale LP	Ontario	Sienna Senior Living Inc.	100%

The Royale West Coast LP	Ontario	Sienna Senior Living Inc.	100%
The Royale Development LP	Ontario	Sienna Senior Living Inc.	100%
2371281 Investment LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Baltic LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Baltic Development LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Ontario RH 2017 LP	Ontario	Sienna Senior Living Inc.	100%
Sienna-Sabra LP	Ontario	Sienna Senior Living Inc.	50%
Vigour Limited Partnership	Ontario	Leisureworld Senior Care LP	100%
2063412 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2063414 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2063415 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2067475 Investment LP	Ontario	Leisureworld Senior Care LP	100%

GENERAL DEVELOPMENT OF THE BUSINESS

The general development of the Company's business over the past three fiscal years, including key acquisitions, dispositions and financing activities is summarized below.

2020

On March 19, 2020, the Company entered into a credit agreement with a syndicate of lenders led by a Canadian chartered bank for a $200 million senior unsecured revolving credit facility (the "**Unsecured Revolving Credit Facility**"). On October 26, 2022, the Company increased this facility to $300 million and extended the maturity term by two years to March 2027 (see "Indebtedness – Credit Facilities – Revolving Credit Facilities" section of this AIF).

On June 11, 2020, Nitin Jain was appointed as President, Chief Executive Officer and a member of the Company's board of directors (the "**Board**") following Lois Cormack's resignation as President, Chief Executive Officer and a member of the Board.

On October 2, 2020, the Company issued $175 million aggregate principal amount of series B senior unsecured debentures (the "**Series B Unsecured Debentures**"). The Series B Unsecured Debentures 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 may be redeemed in whole or in part at the option of the Company at any time, as long as the Company provides not less than 10 days' and not more than 60 days' notice to the holders of the Series B Unsecured Debentures (see "Indebtedness – Senior Unsecured Debentures – Series B Unsecured Debentures" section of this AIF).

On October 2, 2020, the Company entered into a $100 million secured term credit facility (the "**Secured Credit Facility**") with a Canadian chartered bank. The Secured Credit Facility had an initial term of one year and was repaid in full on June 4, 2021 (see "Indebtedness – Credit Facilities – Non-Revolving Credit Facilities" section of this AIF).

On October 2, 2020, the Company redeemed all of the outstanding 3.474% series B secured debentures (the "**Series B Secured Debentures**") in the amount of $246 million, net of its principal reserve fund. The Company redeemed the Series B Secured Debentures using its principal reserve fund of $41 million and a portion of the net proceeds from the Series B Unsecured Debentures and the Secured Credit Facility, and paid an early redemption premium of $2.8 million. This full redemption released the security collateralized by the assets of Leisureworld Senior Care LP, which increased the Company's pool of unencumbered assets by more than $300 million to approximately $840 million as at December 31, 2020.

2021

On June 3, 2021, the Company issued $125 million aggregate principal amount of series C senior unsecured debentures (the "**Series C Unsecured Debentures**"). The Series C Unsecured Debentures bear interest at a rate of 2.82% per annum, payable semi-annually in September and March of each year, and will mature on March 31, 2027. The Series C Unsecured Debentures may be redeemed in whole or in part at the option of the Company at any time, as long as the Company provides not less than 10 days' and not more than 60 days' notice to the holders of the Series C Unsecured Debentures (see "Indebtedness – Senior Unsecured Debentures – Series C Unsecured Debentures" section of this AIF).

On June 4, 2021, the Company used the proceeds from the issuance of the Series C Unsecured Debentures to fully repay the $100 million Secured Credit Facility that was due on October 2, 2021 (see "Indebtedness – Senior Unsecured Debentures – Series C Unsecured Debentures" section of this AIF).

On August 11, 2021, the Company announced the launch of Sienna's new retirement platform Aspira, aimed at making the retirement brand within the Sienna business line more distinctive and differentiating our offerings through customer-centric personalization and expanded choices. At the centre of our new brand is the conviction that seniors should be able to live the life they desire and deserve with an increased emphasis on being a vital part of the local community. A key aim of this brand is to expand the market to attract seniors who are currently living at home and may be looking for a better alternative that includes convenience and safety within a community.

On August 19, 2021, the Company announced the launch of the Sienna Ownership and Reward ("**SOAR**") program, which offers Common Shares to all permanent employees who have been with the Company for one year or longer. Pursuant to the program, which involved an initial investment of approximately $2.18 million in 2022, the Company provided every eligible employee with the opportunity to become a shareholder by awarding a one-time grant of approximately $500 of Common Shares to full-time employees and approximately $300 of Common Shares to part-time employees. As part of this program, the Company offers educational opportunities to support eligible employees' participation and decisions as owners and also introduced an employer matching program for employees who wish to further invest in the Company. The implementation of the SOAR program and awards of Common Shares to employees was approved by shareholders at the Company's annual and special meeting held on April 19, 2022.

On November 4, 2021, the Company entered into an agreement to sell Camilla Care Community ("**Camilla**") with 236 beds in Ontario to Trillium Health Partners and Partners Community Health. This transaction was completed on March 31, 2022 for a purchase price of approximately $19.875 million.

On November 23, 2021, Shelly Jamieson was appointed as a member of the Board.

2022

On January 31, 2022, the Company completed the sale of Rideau Retirement Residence ("**Rideau**") consisting of 138 suites in British Columbia. The gross proceeds on the sale were $33.25 million. The property-level mortgage with an outstanding balance of approximately $21.54 million was discharged on the closing date of the sale.

On February 1, 2022, Paul Boniferro was appointed as a member of the Board.

On February 3, 2022, the Company entered into an agreement to acquire a 50% ownership interest in a $307.5 million portfolio of eleven private-pay retirement residences in Ontario and Saskatchewan consisting of 1,048 high-quality, private-pay IL, AL and MC suites (the "**Portfolio**"). This transaction was completed on May 18, 2022 and was financed through a combination of: (i) net proceeds from the Offering (as defined below); (ii) an acquisition term loan that was refinanced post-closing; (iii) net proceeds from the dispositions of Rideau and Camilla; and (iv) the assumption of two CMHC-insured property level mortgages. The Company acquired the Portfolio in partnership with Sabra, which acquired the other 50% interest, with the Company as the manager of the Portfolio.

On February 28, 2022, the Company entered into an agreement to acquire Woods Park Care Centre (“**Woods Park**”), which had previously been managed by the Company. Woods Park is located in Barrie, Ontario and offers a continuum of care, comprised of 55 private-pay IL suites and 123 government-funded Class A long-term care beds. This transaction was completed on January 3, 2023 for a purchase price of approximately $26.3 million.

On March 11, 2022, the Company entered into an agreement to purchase a 50% ownership interest in a retirement residence consisting of 186 high-quality, private-pay suites in Saskatoon, Saskatchewan (“**Hunter Village**”). This transaction was completed on June 1, 2022. The Company acquired Hunter Village (previously Village at Stonebridge) in partnership with Sabra, which acquired the other 50% interest, with the Company as the manager of the property.

On March 23, 2022, the Company completed a bought deal public offering of 5,750,000 Common Shares at a price of $15.00 per Common Share for aggregate gross proceeds of approximately $86.25 million (the **“Offering**”). This includes gross proceeds from the full exercise of the over-allotment option granted to the syndicate of underwriters to purchase 750,000 Common Shares. The Company used the net proceeds of the offering to partially fund the previously announced acquisitions of (i) a 50% ownership interest in the Portfolio; (ii) a 50% ownership interest in Hunter Village; and (iii) Woods Park, and to pay the Company’s expenses in connection with the acquisitions.

On April 18, 2022, David Hung was appointed as Chief Financial Officer and Executive Vice President of the Company following Karen Hon’s resignation as Chief Financial Officer and Senior Vice President.

On June 28, 2022, Dr. Gina Parvaneh Cody was appointed as a member of the Board.

On August 11, 2022, Shelly Jamieson was appointed as the Company’s Chair of the Board following Dino Chiesa’s resignation as Board Chair and as a member of the Board.

SECTOR OVERVIEW

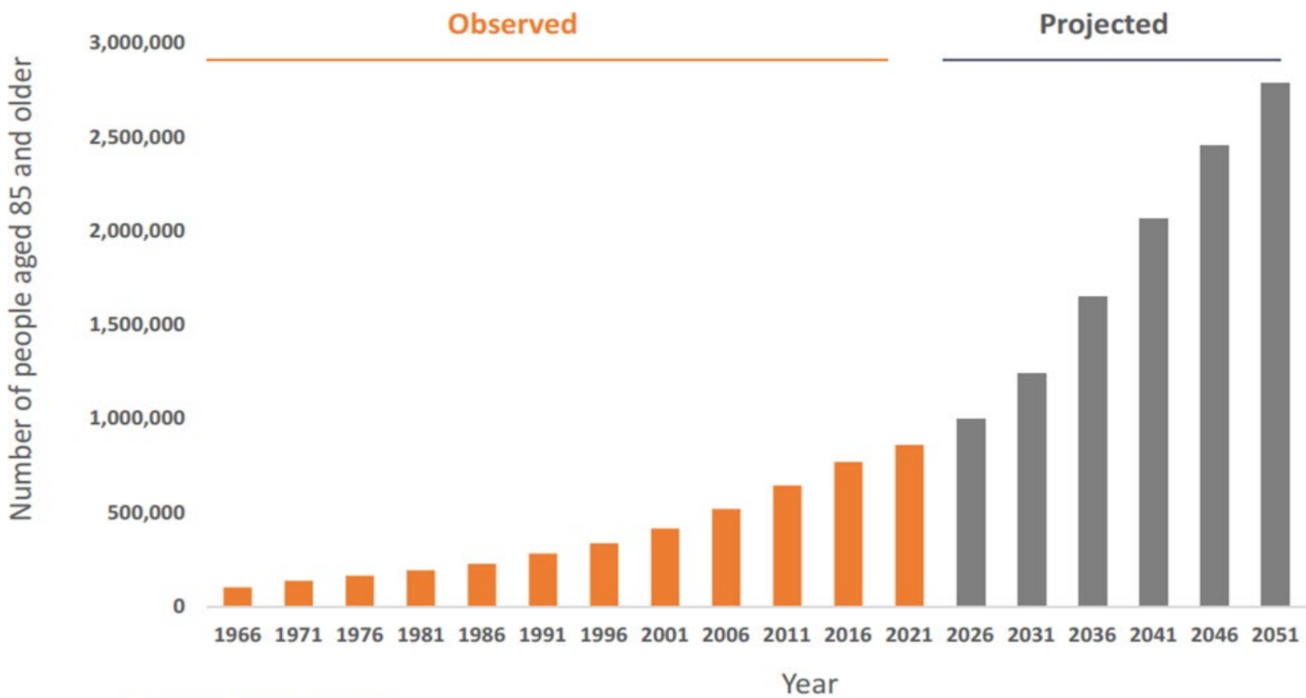
Some of the sector data provided in this section was prepared by third parties. Although the Company has no reason to believe such information is inaccurate or incomplete, the Company cannot guarantee the accuracy or completeness of such information.

The growing seniors’ living sector in Canada continues to be fragmented and highly regulated, with significant barriers to entry. Ownership is fragmented with most operators owning less than 1% of the market share of residences. The sector is highly regulated by provincial governments and regional health authorities, with growing and varied obligations placed on operators, including with respect to day-to-day operations, financial management reporting, and community and stakeholder engagement. Long-term care communities and retirement residences require an approved licensed operator. 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. Regulation of this sector has increased during the COVID-19 global pandemic.

Demand Driven by Rapid Growth in Target Demographic

Demand for seniors’ living is driven by an aging population. According to Statistics Canada, growth in the 85+ years of age cohort is expected to triple over the next 25 years as a result of baby boomers reaching retirement age and life expectancy continuously increasing. In Canada, more than one quarter of people aged 85 and older live in a nursing care, long-term care or seniors' residence with the proportion increasing in age.

By 2026, the number of people living in Canada aged 85 and older is expected to reach approximately one million and is estimated to grow to nearly three million by 2051.



Source: Statistics Canada

The needs-based driven demand for seniors' living is expected to outpace supply growth in the coming years, due to a combination of factors delaying construction starts and driving up building costs. In addition, the significant equity many seniors have built up in their homes over the decades, will further support demand in the coming years, although a softer residential housing market may delay the move to a retirement residence for some seniors who rely on the sale of their primary residence to unlock their net worth.

Slowing Supply of Retirement Residences

Due to a combination of factors, including rising construction costs, new construction activity of retirement residences in Canada has declined significantly in recent years. While development prior to the COVID-19 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 recovery in Canadian seniors' living.

Robust Fundamentals in Sienna's Key Long-Term Care Markets

Demand for long-term care beds is higher than ever, with long waiting lists and increasing pressure on hospital systems.

In the Ontario the long-term care sector, the number of long-term care beds per 1,000 Ontarians aged 75+ is expected to decline over the next several years as a result of a rapidly aging population, despite the government's commitment to add 30,000 new beds and upgrade 28,000 older beds.

In late 2022, the Ontario government announced that it is increasing its construction funding subsidy to support the cost of developing or redeveloping long-term care homes amid escalating interest rates and construction costs. The additional funding is expected to help fast-track the construction of new long-term care beds commencing before August 31, 2023. This supports the government's $6.4 billion commitment to build more than 30,000 net new beds by 2028 and 28,000 upgraded long-term care beds across the province.

Similarly, there is strong demand for long-term care beds in British Columbia with the number of long-term care beds having increased by only 2% while the 75+ population increased by 20% over the past five years.

High Barriers to Entry

The seniors’ 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 long-term care and retirement residences require an approved licensed operator.

The seniors’ living sector is also capital intensive and requires entrants to have significant capital available to acquire and develop properties and maintain such properties with ongoing capital expenditures. In addition, operators must have adequate funds available to maintain and enhance their properties in a suitable condition to meet required regulatory standards, operate efficiently and remain competitive in the markets in which they operate. Capital providers to the private sector require competitive rates of return from lending or investing in the seniors’ living sector.

Seniors’ Living Continuum

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

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

- **Independent Living (IL)**: IL provides the privacy and freedom of home combined with the convenience and security of on-call assistance and a maintenance-free environment. Residents typically have the option of purchasing à la carte services including meal packages, housekeeping, transportation and laundry. IL is typically apartment-style accommodation with a full kitchenette and is private-pay. Tenure may be rental or some form of ownership, such as condominium or life lease.

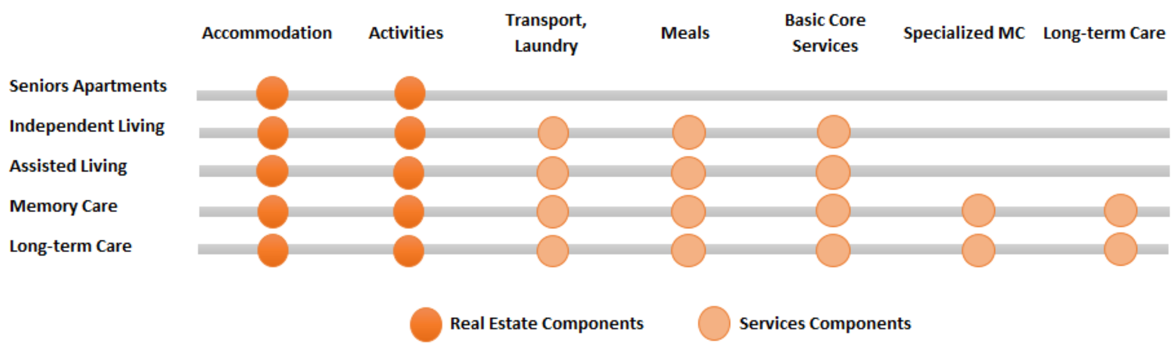
- **Independent Supportive Living (ISL)**: ISL is designed for seniors who pay for services such as 24-hour response, housekeeping, laundry, meals, transportation and accommodation as part of a total monthly private-pay fee or rental rate. These residents require little or no assistance with daily living activities but benefit from the social setting and meal preparation. Some residences include a minimum amount of daily care but primarily this level of accommodation is for the senior who can live more independently with the option of additional care and services available on an as needed basis. Accommodation is studio, one or two bedroom units with kitchenettes.

- **Assisted Living (AL):** AL is intended for seniors who need assistance with daily living activities but do not require skilled nursing care. While most of AL is provided as private-pay, some residences deliver AL services through private-pay or government funded home care services.

- **Memory Care (MC):** MC serves seniors with memory impairment, Alzheimer’s or other forms of dementia. Mild cases of dementia are typically suitably addressed within secure AL accommodation suites in a dedicated area within the residence, or more broadly throughout the residence. Moderate to severe cases require dedicated accommodation suites and specialized and more intensive care.

- **Long-term Care**: Long-term care is for those who are not able to live independently and require assistance with the activities of daily living and care, including skilled nursing care on a daily basis.

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



Source: NIC Investment Guide.

Retirement Residences

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

The retirement sector requires that a residence and operator must be licensed to operate. Retirement residences are regulated by the *Retirement Homes Act*, 2010 (Ontario) (the "**RHA**") in the Province of Ontario, *The Personal Care Homes Act* (Saskatchewan) in the Province of Saskatchewan (the "**PCA**") and the *Community Care and Assisted Living Act* (British Columbia) (the "**CCALA**") in the Province of British Columbia. In Ontario, the Retirement Home Regulatory Authority (the "**RHRA**"), a regulatory body created by the RHA, provides consumer protection and regulation, but not funding, for the provision of care and services in retirement residences in the province. Retirement residences are required to be licensed by the RHRA in order to operate in Ontario and are inspected regularly by RHRA inspectors. In Saskatchewan, the Ministry of Health is responsible for the licensing and monitoring of personal care homes. The PCA governs the care, management and administration of care homes, including approving the services to be provided, and which care homes are subject to regular inspections. In British Columbia, the CCALA provides consumer protection and regulation of retirement residences in the province, such that all levels of seniors' living residences providing personal support in British Columbia must be registered with the Assisted Living Registry.

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

Long-Term Care

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

The long-term care sector, which provides essential health services to its communities, can be distinguished from other segments of the seniors' living sector based on a number of factors, including the following:

- **Provision of an essential service:** Long-term care communities provide essential health services in the form of 24-hour registered nursing support, and assistance with ADL and mobility, to individuals with complex physical and medical care needs who may otherwise require hospital care. These residences also provide specialized services such as dementia care, continence management, skin and wound care, palliation and end of life care. Access is controlled through governmental agencies, and regulation occurs pursuant to provincial statutes.

- **Significant barriers to entry:** Barriers to entry are regulatory, operational and financial. The long-term care sector requires that a residence and operator be licensed by the relevant regulatory authority in order to operate. The licensing requirements are extensive and existing licenses cannot be modified, moved or transferred without regulatory approval or the satisfaction of new licensing requirements. In addition to the regulatory barriers to entry, the successful operation of a long-term care residence requires a broad range of specialized expertise, including systems and processes to comply with extensive regulation, expertise in gerontological care, chronic disease management, infection prevention and control ("**IPAC**"), health care operations, financial management and reporting, asset management, community and stakeholder engagement, labour relations and government relations. The seniors' living sector is also capital intensive and requires entrants to have significant capital available to acquire and develop properties and maintain such properties with ongoing capital expenditures (see "Sector Overview – High Barriers to Entry" section in this AIF).

Long-Term Care Financial Model

All aspects of the operation of long-term care are highly regulated by provincial governments and regional health authorities. In British Columbia and Ontario, access to long-term care is controlled through a government agency based on eligibility. Provincial health programs provide funding for certain care services, with the residents contributing a co-payment with the rate set by the regulatory body. Since each province establishes its own system for carrying out the oversight of long-term care communities and administering programs, there are differences in the regulations governing care providers, as well as in the actual funding programs.

Province of Ontario

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

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

In addition to regulation and inspection, the mandate of certain provincial health regulators also includes the authorization to determine the co-payment fees that residents pay to long-term care communities for both basic and preferred accommodation. In Ontario, these long-term care accommodation costs are set by the MLTC annually to account for inflationary increases and are standard in all long-term care communities across the Province of Ontario. Qualifying residents who are not able to afford basic long-term care accommodation costs may also be eligible for a government subsidy through the Long-Term Care Home Rate Reduction Program, provided they are already receiving all of the applicable federal and provincial benefits for which they are eligible (such as Old Age Security, Guaranteed Income Supplement and Guaranteed Annual Income System).

Province of British Columbia

Funded Long-term Care Beds

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

Private-Pay Long-term Care Beds

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

BUSINESS OF THE COMPANY

The Company and its predecessors have been operating since 1972. Since inception, the Company has expanded through strategic acquisitions and development as well as organically to become one of Canada's largest and most diverse providers of seniors' living operating in the Provinces of Ontario, Saskatchewan and British Columbia. As a Canadian seniors' living provider serving the continuum of care, the Company owns and operates a total of 80 seniors' living communities and also provides internal and third party management services to seniors' living communities in the Provinces of Ontario, Saskatchewan and British Columbia. Except where indicated, the information presented below is in respect of the year ended December 31, 2022.

Business Update

Sienna ended 2022 well capitalized, with a strong balance sheet, ample liquidity and an issuer rating and senior unsecured debenture rating of "BBB" with "Stable" trends from DRBS Limited ("**DBRS**").

With respect to the Company's retirement operations, the Company's leasing strategy and solid demand in key markets supported stable occupancy in both the same-property and the acquisition portfolios in the fourth quarter of 2022 ("**Q4 2022**"). Sienna's long-term care operations saw steady resident admissions across the majority of its communities, although continued COVID-19 outbreaks and seasonal respiratory illnesses impacted admissions and occupancy at some care communities, resulting in a number of residences not reaching the required 97% occupancy targets for full funding.

Ongoing cost pressures and inflation continue to put pressure on the Company's operating margins in both the retirement and long-term care segments. Significant sector-wide staffing challenges, requiring increased levels of agency staff, have been a major factor in the cost increases. Many of Sienna's current initiatives are focused on lessening the reliance on agency staff by improving team member engagement and retention, in addition to creating efficiencies by streamlining processes and improving team member scheduling.

Growth and Diversification Initiatives

The significant growth of the Company's retirement platform with the addition of twelve retirement residences in Ontario and Saskatchewan in the second quarter of 2022 highlights Sienna's 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 each segment, the Company runs two distinct business lines, while taking advantage of the benefits inherent in shared services and scale. The Company believes that diversification adds to the financial strength of the business as it allows it to capture higher potential growth and operating margins inherent in the retirement portfolio, while benefiting from the stability of government-funded long-term care operations.

Integration of Acquired Portfolio into the Aspira Platform

The twelve retirement residences acquired in a joint venture with Sabra were fully integrated into the Company's sales and operating platforms during the second half of 2022. The Company owns a 50% ownership interest in these assets and acts as the manager of the retirement residences.

The following table summarizes key information about the twelve acquired retirement residences:

Property	City	Year Built / Expanded	Number of Suites (at 100%)				
			IL	AL	MC	Total	Potential Expansion
The Barrieview	Barrie, ON	2019	78	23	23	124	-
Douglas Crossing	Uxbridge, ON	2017	102	28	18	148	-
Harvest Crossing	Tillsonburg, ON	2011/15	100	-	-	100	52
Lynde Creek Gardens	Whitby, ON	2004/14	93	-	-	93	77
Bolton Mills	Bolton, ON	2019	112	-	-	112	-
Cedar Crossing	Simcoe, ON	2016	67	-	-	67	45
Empire Crossing	Port Hope, ON	2015	63	-	-	63	59
Total Ontario			**615**	**51**	**41**	**707**	**233**
Stonebridge Crossing	Saskatoon, SK	2012	89	-	27	116	-
Yorkton Crossing	Yorkton, SK	2016	79	-	-	79	-
West Park Crossing	Moose Jaw, SK	2016	57	-	22	79	-
Riverbend Crossing Memory Care	Regina, SK	2013	-	-	67	67	-
Hunter Village Retirement Living	Saskatoon, SK	2016	159	27		186	
Total Saskatchewan			**384**	**27**	**116**	**527**	**-**
Total Portfolio			**999**	**78**	**157**	**1,234**	**233**

Acquisition of Woods Park Care Centre, Barrie, Ontario

On January 3, 2023, Sienna finalized the acquisition of Woods Park Care Centre ("**Woods Park**"), which has historically been managed by the Company, for a purchase price of $26.3 million. The Company intends to allocate approximately $1 million for further capital improvements, which are expected to be completed within the near term. Woods Park is located in Barrie, Ontario, and offers a continuum of care, comprised of 55 private-pay independent living retirement suites and 123 government-funded Class A long-term care beds.

Development of a Joint Venture Retirement Residence in Ontario

The Company's joint venture development of a 150-suite retirement residence in Niagara Falls is progressing well and is expected to be completed by the end of 2023. The estimated total capital investment for 100% of the project is approximately $55 million, an increase from the previous estimate of $50 million, largely due to higher interest costs to finance the project. The expected development yield is approximately 7.5%. Sienna's share of this greenfield joint venture with Reichmann Seniors Housing is 70% and the total net capital investment to date is $6.2 million.

Development and Redevelopment of Long-Term Care Portfolio in Ontario

The Ontario government has committed to make a significant investment to upgrade long-term care beds in Ontario.

In recent quarters, high inflation and significant cost escalations with respect to material and labour altered the economic feasibility of long-term care redevelopment projects. Sienna, together with other sector participants, have been actively working with the government to revise the construction funding model in order to ensure the financial feasibility of long-term care redevelopment. In late 2022, the Ontario government announced a time-limited supplemental increase to the construction funding subsidy for projects commencing construction by August 31, 2023.

Based on the revised construction funding model, the Company expects to have a total of 480 beds under construction by mid-2023, including projects in North Bay, Keswick and Brantford, Ontario. The Company also plans to develop 147 retirement suites as part of a campus of care at the Brantford location, with an estimated total development cost for the campus of approximately $140 million and a projected development yield of approximately 7.5%.

In addition, over 1,000 beds are currently in the planning stages in the Greater Toronto Area, including in Scarborough and Mississauga.

To date, the Ontario government has provided bed licence allocations relating to twelve of the Company's older long-term care communities, comprising approximately 2,600 beds, of which approximately 1,800 are for renewals and over 800 are for new beds. These allocations cover substantially all of Sienna's Class B and C portfolio.

Retirement Operations Update

As at December 31, 2022, the retirement portfolio comprised 4,390 suites across Ontario, Saskatchewan and British Columbia and contributed approximately 50% to the Company's NOI in Q4 2022. Revenue attributable to the retirement portfolio for 2021 and 2022 was approximately $148 million and $177 million, respectively.

The Company's successful marketing and sales initiatives under its Aspira brand resulted in further occupancy gains, making Q4 2022 the sixth consecutive quarter of occupancy improvements. Average same property occupancy was 87.3% in 2022. In addition, average rental rate increases in line with market rates have partially offset the significant cost increases and inflationary pressures experienced in recent quarters.

With respect to the Company's 2022 acquisitions, average occupancy was approximately 85.3% in Q4 2022 representing a 310 basis points increase since the Company acquired the Portfolio in May 2022. This is a clear indication of the positive momentum in the integration of the retirement residences into the Aspira platform.

Successful Marketing and Sales Initiatives Generating Strong Interest in Company's Retirement Residences

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

The Company will continue to leverage the Aspira brand and signature programs to generate strong interest in its residences.

In addition, rent collection levels remained high at approximately 99% throughout Q4 2022.

Long-term Care Operations Update

In Q4 2022, the Company's long-term care portfolio, which comprises 6,632 beds in Ontario and British Columbia, contributed approximately 50% to the Company's overall NOI. Revenue attributable to the long-term care portfolio for 2021 and 2022 was approximately $520 million and $559 million, respectively.

Implementation of New Long-Term Care Platform

Sienna's new long-term care platform is deeply aligned with the Company's purpose of "Cultivating Happiness in Daily Life" and is based on Sienna's belief that happiness drives wellness.

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

The platform design is based on best practices and the input from Sienna's residents and families, with the aim to distinguish Sienna as a long-term care provider of choice and comprises the following four pillars:

- Settle In - the move-in experience
- Savour It - the food and dining experience
- Stimulate - engagement and meaningful recreation
- Socialize - meaningful visits and social connections

The Company is currently in the process of rolling out the first two pillars across the long-term care communities.

"Settle In" reflects the importance of the first experience residents have at the communities. Changes to the residents' move-in experience include a new platform-wide standard aimed at decreasing anxiety of residents and families and truly making them feel welcome and at home. By the end of 2022, pilot programs were under way at seven communities, with a focus on the new move-in standard.

"Savour It" is focused on revitalizing residents' dining experience. The transformation of dining is led by an executive chef who is responsible for the development of more savory and better presented meals. In addition, the social aspect of eating is emphasized as the Company aims to bring more of a hospitality-like feel to the dining rooms over time.

Focus on Residents' Quality of Life and Care

The Company's focus continues to be on improved quality of life and care outcomes. Sienna has strengthened its ongoing review of quality of care based on quality indicators, clinical reviews and inspection reports. Sienna's care communities participate in third-party assessments, supporting the ongoing process of quality improvement and operational excellence.

During Q4 2022, the Commission on Accreditation of Rehabilitation Facilities ("**CARF**") and Accreditation Canada conducted surveys at the Company's long-term care communities in Ontario and British Columbia, respectively. In Ontario, Sienna maintained the highest achievement status of Aspire to Excellence, a three-year award received from CARF. In British Columbia, the Company received an award of Exemplary Standing, indicating that the Company has gone beyond the requirements of the accreditation program and demonstrates excellence in quality improvement.

As part of the commitment to improve clinical quality and safety for seniors, the Company is a member of the Seniors Quality Leap Initiative ("**SQLI**"), a group of large long-term care providers from across North America that shares quality indicators and benchmarks against international standards. The most recent data available validates Sienna's efforts and is reflected in Sienna's strong accreditation results.

Going forward, the Company is committed to continued quality improvement efforts by identifying what it is doing well and where improvements are needed.

Update on Closing of Long-term Care Residence in Ontario

In early 2023, the MLTC formally approved the closure plan of one of the Company's long-term care communities. The property sustained significant damage linked to the original building design and construction predating the Company's ownership. The Company's initial renovation plans expanded beyond a reasonable scope. As a result, the Company made the decision to wind down operations at this care community and expects to permanently close the property in 2023, once every resident has moved to a new home.

In connection with this closure, the Company recorded restructuring costs of $6.6 million, including severance payments, retention bonuses and a write-down with respect to construction funding receivables, offset by a deferred tax impact of approximately $1.7 million.

Update on Government Funding and Orders

COVID-19 Prevention and Containment and Personal Protective Equipment ("**PPE**") Funding - The MLTC has been providing funding for incremental costs associated with COVID-19 prevention and containment and PPE to long-term care homes. This funding can be applied for eligible expenses with Sienna's maximum share for expenses incurred from April 2022 to March 2023 being approximately $20 million. This represents a decrease of approximately 57% compared to the funding received for the period from April 2021 to March 2022, and is reflective of a decrease in related costs.

Occupancy Protection Funding - In February 2022, the Ontario government reinstated its occupancy targets of 97% for long-stay beds and 90% for interim short-stay beds, excluding beds unavailable as a result of capacity limitations in multi-bed rooms and isolation requirements. Notwithstanding this reinstatement, for the period from February 1, 2022 to September 30, 2022, long-term care communities that did not achieve target occupancy, still received a minimum of 90% of their funding.

Effective October 1, 2022, beds that should otherwise be available for occupancy, became subject to full occupancy target requirements, although communities in both Ontario and British Columbia continued to receive full funding for vacancies caused by the temporary closure of admissions due to an outbreak, including COVID-19.

Given the long waiting list for long-term care beds across Ontario and long wait times of up to two years for beds at the Company's long-term care communities in British Columbia, coupled with increasing pressure on the hospital system, the Company anticipates the achievement of the average annual occupancy target required for full funding at the majority of the Company's care communities in 2023.

Third and Fourth Beds Funding Changes - On August 30, 2022, the MLTC advised that it is not planning to re-open the third and fourth beds in multi-bed rooms in long term care communities for resident admissions and has signaled that it intends to introduce phased in revisions to the funding provided for the 3rd and 4th beds. Funding changes were expected to begin in January 2023, and have now been delayed until the end of March 2023 to allow for further consideration of the funding formula. Sienna's approximate 350 3rd and 4th beds in Ontario will be impacted by this expected change and Sienna continues to assess the impact of these potential funding changes while waiting for further updates from the MLTC.

COVID-19 Update

Sienna continues to have effective COVID-19 outbreak management and IPAC capabilities in place to manage the impact of COVID-19 at its residences. With the added protection of vaccinations, infected residents' and team members' symptoms have been mostly mild or moderate during recent waves of the pandemic, which have been largely defined by staffing shortages. A high vaccination rate among residents and team members coupled with effective anti-viral treatments, the disease burden for residents lessened substantially throughout 2022. However, homes in outbreak continue to incur significant pandemic costs and Sienna, together with other seniors' living operators and sector associations, are advocating for continued government funding of pandemic costs.

As of February 22, 2023, eight of Sienna's 93 owned or managed residences are in outbreak with active cases of COVID-19 at six long-term care and two retirement residences. Of these residences, six residences have five or less active COVID-19 cases among their residents.

Staffing Update

As part of the Company's strategic objectives, Sienna aims to become the employer of choice in Canadian seniors' living by offering a compelling team experience and by nurturing a purpose-driven culture. Sienna believes that the appeal of its new purpose, vision and values are an opportunity to differentiate Sienna from competitors and will help attract and retain a highly engaged workforce and build a talent pipeline amid staffing shortages in the seniors' living sector and the wider health care sector.

Staffing Strategy

The Company continued with its proactive staffing strategy to lessen reliance on agency staff and to position Sienna well for the Ontario government's planned gradual increase in direct hours of care across the long-term care platform. In addition to attracting new talent, Sienna has been working on a number of other initiatives, including offering additional shifts to part-time team members and supporting the placement of Ukrainian refugees at communities with significant staffing challenges.

Centralized Scheduling and Call-out System

To further support and improve the staffing process, the Company has launched a new centralized scheduling and call-out system. The system has been rolled out to most of Sienna's long-term care communities and provides greater flexibility to meet staffing requirements on a real-time basis and a more seamless process to fill staffing gaps. This is expected to support Sienna's efforts to reduce the use of agency staff and enable tighter controls on overtime.

In addition, the Company has been piloting improvements to the onboarding process, including enhancements to team member orientation and team member mentoring in addition to a more streamlined pre-boarding process. The process, which is currently rolled out across Sienna's long-term care communities, includes enhanced multi-day orientation programs for Executive Directors, personal support workers and clinical leaders.

Talent Acquisition

As part of the Company's ongoing talent acquisition strategy, Sienna expanded its collaboration with educational and government institutions and intensified its social media campaigns. To ensure a talent pipeline for future staffing needs, Sienna enhanced its campus recruitment campaigns at key colleges and universities across Ontario and British Columbia. Sienna's collaboration with colleges and universities has resulted in approximately 1,200 student placements in 2022, many of whom Sienna hopes to hire once they graduate.

SPARK

Based on feedback from the 2021 team member satisfaction survey, team members sought opportunities to share their ideas. As a result, Sienna invited team members to share ideas on how Sienna can grow and improve and fulfil its purpose of "Cultivating Happiness in Daily Life". Sienna received approximately 170 ideas during the first round of submissions in October 2022.

A number of ideas are currently being piloted at some of the Company's residences and communities to assess which ideas should be implemented across the Company.

Sienna Ownership and Reward Program

The SOAR Program awards Common Shares 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. In 2022, a total of 150,818 Sienna shares were awarded to team members.

Resident, Family and Team Member Satisfaction

Resident & Family Satisfaction Surveys

During Q4 2022, the Company conducted annual resident and family satisfaction surveys. These surveys are a crucial tool to engage with the Company's stakeholders and learn from their feedback. Nearly 80% of residents and approximately 84% of family members indicated that they would recommend Sienna's long-term care communities.

At the retirement residences, the Company has started to measure the residents' willingness to promote Sienna's residences based on the internationally recognized net promoter score method ("**NPS**"). This will help Sienna better understand and analyze what it takes to improve the residents' happiness in daily life.

Early results of the Company's first platform-wide NPS survey are favourable and will be used as an important baseline to measure the success of its platform enhancements.

Team Member Engagement Surveys

Team member engagement surveys are crucial to identify opportunities to enhance the team member experience. Approximately 85% of Sienna's team members feel that they are able to do meaningful work every day, which is aligned to the Company's purpose. This is the second consecutive year of improvement in Sienna's team member engagement score.

Cost Pressures in Current Market Conditions

In recent years, the Company has experienced cost pressures from agency staffing costs due to a tight labour market, increased insurance premiums in the senior housing sector, rising interest rates, and rising utilities costs in line with the overall market. More recently, decades-high inflation has further added to cost pressures in other expense categories, including food, supplies and contracted services.

Significant agency premiums averaging 75% to 100% over the regular staffing rates combined with generally higher reliance on agency staff have resulted in a substantial increase in staffing costs. Agency staffing costs continue to escalate, with the majority of the staffing costs covered by government flow-through funding.

The Company continues to actively work alongside other participants in the seniors' living sector with the government to receive funding that is aligned with the current inflationary conditions to offset these significant cost increases.

Summary of the Company's Beds/Suites

The table below presents a breakdown by business segment of the number of beds or suites owned and operated or managed by the Company as of December 31, 2022.

	Retirement		Long-term Care		Total [1]	
Owned Residences	**Residences**	**Suites**	**Residences**	**Beds [2]**	**Residences**	**Beds / Suites**
100% Owned - operating	26	3,156	40	6,258	66	9,414
Partially Owned - operating [3]	12	1,234	2	374	14	1,608
Total Owned	38	4,390	42	6,632	80	11,022
Managed Residences	9	812	4	649	13	1,461
Total	47	5,202	46	7,281	93	12,483

Notes:

(1) 79.2%, 16.3% and 4.5% of total beds/suites are located in Ontario, British Columbia and Saskatchewan, respectively.
(2) 180 of the long-term care beds are privately funded.
(3) The Company has a 50% ownership in twelve retirement residences (1,234 suites), a 40% ownership in one long-term care community (256 beds) and a 77% ownership in one long-term care community (118 beds).

Summary of the Company's Residences

The table below presents the properties owned and operated by the Company as of December 31, 2022:

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
Retirement Owned				
Aspira Astoria Retirement Living	Port Coquitlam, BC	—	135	135
Aspira Bearbrook Retirement Living	Ottawa, ON	—	102	102
Aspira Carolina Retirement Living	Perth, ON	—	139	139
Aspira Cedarvale Lodge Retirement Living	Keswick, ON	—	130	130
Aspira Doon Village Retirement Living	Kitchener, ON	—	97	97
Aspira Heatherwood Retirement Living	St. Catharines, ON	—	165	165
Aspira Island Park Retirement Living	Campbellford, ON	—	140	140
Aspira Island View Retirement Living	Arnprior, ON	—	106	106
Aspira Kawartha Lakes Retirement Living	Bobcaygeon, ON	—	93	93
Aspira Kensington Place Retirement Living	Toronto, ON	—	101	101
Aspira Kingsmere Retirement Living	Alliston, ON	—	98	98
Aspira Lincoln Park Retirement Living	Grimsby, ON	—	70	70
Aspira Martindale Gardens Retirement Living	Milton, ON	—	75	75
Aspira Mayfair Terrace Retirement Living	Port Coquitlam, BC	—	94	94
Midland Gardens Seniors Apartments	Scarborough, ON	—	53	53
Aspira Pacifica Retirement Living	Surrey, BC	—	141	141
Aspira Peninsula Retirement Living	Surrey, BC	—	127	127
Aspira Quinte Gardens Retirement Living	Belleville, ON	—	237	237

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
Aspira Red Oak Retirement Living	Kanata, ON	—	157	157
Aspira Rosewood Retirement Living	Kingston, ON	—	69	69
Aspira Royale Place Retirement Living	Kingston, ON	—	136	136
Aspira Traditions of Durham Retirement Living	Oshawa, ON	—	141	141
Trillium Retirement Living	Kingston, ON	—	42	42
Aspira Villa Da Vinci Retirement Living	Woodbridge, ON	—	124	124
Aspira Waterford Barrie Retirement Living	Barrie, ON	—	202	202
Aspira Waterford Kingston Retirement Living	Kingston, ON	—	182	182
Total Retirement Owned		—	***3,156***	***3,156***
Retirement Joint-Venture Properties				
Aspira Bolton Mills Retirement Living	Bolton, ON	—	112	112
Aspira Cedar Crossing Retirement Living	Simcoe, ON	—	67	67
Aspira Douglas Crossing Retirement Living	Uxbridge, ON	—	148	148
Aspira Empire Crossing Retirement Living	Port Hope, ON	—	63	63
Aspira Harvest Crossing Retirement Living	Tillsonburg, ON	—	100	100
Aspira Lynde Creek Gardens Retirement Living	Whitby, ON	—	93	93
Aspira The Barrieview Retirement Living	Barrie, ON	—	124	124
Aspira Riverbend Crossing Memory Care	Regina, SK	—	67	67
Aspira Stonebridge Crossing Retirement Living	Saskatoon, SK	—	116	116
Aspira West Park Crossing Retirement Living	Moose Jaw, SK	—	79	79
Aspira Yorkton Crossing Retirement Living	Yorkton, SK	—	79	79
Aspira Hunter Village Retirement Living	Saskatoon, SK	—	186	186
Total Retirement Joint-Venture Properties		—	***1,234***	***1,234***
Total Retirement		—	***4,390***	***4,390***
BC Long-term Care Owned				
Brookside Lodge	Surrey, BC	102	14	116
Glenmore Lodge[(1)]	Kelowna, BC	100	18	118
Lake Country Lodge	Lake Country, BC	45	45	90
Lakeview Lodge	West Kelowna, BC	100	14	114
Mariposa Gardens	Osoyoos, BC	124	21	145
Nicola Lodge[(1)]	Port Coquitlam, BC	238	18	256
Ridgeview Lodge	Kamloops, BC	106	23	129
The Cascades	Chilliwack, BC	150	17	167
Total BC Long-Term Care Properties Owned		***965***	***170***	***1,135***
ON Long-term Care Owned				
Altamont Care Community	West Hill, ON	159	—	159
Barnswallow Place Care Community	Elmira, ON	96	—	96
Bloomington Cove Care Community	Stouffville, ON	113	—	113
Bradford Valley Care Community	Bradford, ON	246	—	246
Case Manor Care Community	Bobcaygeon, ON	96	—	96

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
Cedarvale Lodge Care Community	Keswick, ON	60	—	60
Cheltenham Care Community	Toronto, ON	170	—	170
Creedan Valley Care Community	Creemore, ON	95	—	95
Deerwood Creek Care Community	Etobicoke, ON	170	—	170
Fieldstone Commons Care Community	Scarborough, ON	224	—	224
Fountain View Care Community	Toronto, ON	158	—	158
Fox Ridge Care Community	Brantford, ON	122	—	122
Granite Ridge Care Community	Stittsville, ON	224	—	224
Harmony Hills Care Community	Toronto, ON	160	—	160.
Hawthorn Woods Care Community	Brampton, ON	160	—	160
Langstaff Square Care Community	Richmond Hill, ON	160	—	160
Madonna Care Community(2)	Orleans, ON	160	—	160
Maple Grove Care Community	Brampton, ON	160	—	160
Midland Gardens Care Community	Scarborough, ON	299	—	299
Muskoka Shores Care Community	Gravenhurst, ON	206	—	206
Norfinch Care Community	North York, ON	160	—	160
Owen Hill Care Community	Barrie, ON	57	—	57
Rockcliffe Care Community	Scarborough, ON	204	—	204
Secord Trails Care Community	Ingersoll, ON	80	—	80
Silverthorn Care Community	Mississauga, ON	160	—	160
Spencer House, Orillia(3)	Orillia, ON	160	—	160
St. George Care Community	Toronto, ON	238	—	238
Streetsville Care Community	Mississauga, ON	118	—	118
Trillium Care Community	Kingston, ON	190	—	190
Tullamore Care Community	Brampton, ON	159	—	159
Waters Edge Care Community	North Bay, ON	148	—	148
Weston Terrace Care Community	Toronto, ON	224	—	224
Woodbridge Vista Care Community	Woodbridge, ON	224	—	224
Woodhall Park Care Community	Brampton, ON	147	—	147
Total ON Long-term Care Owned		***5,497***	**—**	***5,497***
Total BC & ON Long-term Care Owned		***6,462***	***170***	***6,632***
Total Retirement and Long-term Care(4)		**6,462**	**4,560**	**11,022**

Notes:

(1) The Company currently owns 40% of Nicola Lodge and 77% of Glenmore Lodge. The Company has the option to acquire up to a 100% interest in Glenmore Lodge.

(2) Subject to MLTC approved closure plan (see “Business of the Company – Long-term Care Operations Update – Update on Closing of Long-term Care Residence in Ontario” section of this AIF.

(3) Spencer House Inc., a non-profit organization, holds the licence from the MLTC to operate the long-term care beds at Orillia. The Company is the appointed manager of the Orillia community, and is the owner of the land and buildings used to operate and manage the Orillia community (which land and buildings are leased to Spencer House Inc.).

(4) The Company provides management services to an additional 13 seniors’ living residences in the Provinces of Ontario and British Columbia.

Operational Permits

The Company holds the necessary licences and approvals required to operate its business. Management believes that each of the Company's residences and operations is in compliance, in all material respects, with applicable laws, including environmental and health and safety laws.

Employees

As at December 31, 2022, the Company employed, directly and indirectly, approximately 12,000 employees. Approximately 82% of the Company's employees are represented by unions, including the following: Service Employees International Union (SEIU), the BC Nurses' Association (BCNU), Ontario Nurses Association (ONA), the Hospital Employees' Union (HEU), Christian Labour Association of Canada (CLAC), Canadian Union of Public Employees (CUPE), UNIFOR, British Columbia Government and Service Employees' Union (BCGEU), Healthcare, Office and Professional Employees Union (HOPE), Ontario Public Service Employees Union (OPSEU), Workers United Canada Council (WUCC) or United Food and Commercial Workers Union (UFCW). The *Hospital Labour Disputes Arbitration Act* (Ontario), which prohibits strikes and lockouts in the seniors' living sector, governs the Company's long-term care homes' labour relations. The Company has comprehensive programs to continually develop the knowledge, skills and commitment of its employees, including: orientation and onboarding, online learning, management and leadership development, professional development, quality of work life initiatives, health and safety education, and awards and recognition programs. Employment engagement is evaluated annually.

Timing, Seasonality and Cyclicality

The results of the Company are subject to various factors including, but not limited to, timing of pandemic related funding and incurrence of pandemic related expenses, occupancy levels, timing of operating expenses and maintenance capital expenditures, seasonality of utility expenses, timing of resident co-payment increases, timing of funding rate increases or additional funding, the timing of past acquisitions, and capital market and financing activities. In 2022, the Company's results were impacted by the timing of government assistance received related to pandemic expenses and capital costs, occupancy rates, increased costs pertaining to labour, including higher agency staffing costs, and higher utilities and insurance premiums, mark-to-market adjustments on share-based compensation and fair value adjustments on interest rate swap contracts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") RESPONSIBILITY

The Company's commitment to corporate social responsibility is highlighted in the continued enhancements of the Company's ESG initiatives and disclosures, including Sienna's second ESG Report, which was published in August 2022. For more information on Sienna's ESG initiatives and the 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 its overall strategy and daily business practices and are reflected in the Company's actions and initiatives, each of which affect the quality of life and well-being of residents, their families and team members.

With approximately 12,000 team members, the Company's employees are its most important asset. Creating a positive experience and supporting personal and professional growth are key objectives at Sienna. Attracting and retaining a diverse team and nurturing a culture in which women and people of diverse backgrounds have equal opportunity to achieve their potential are important to Sienna.

In 2021, Sienna established an Environmental, Social and Governance Steering Committee ("**ESG Committee**") comprising senior leaders of the Company and published its first ESG Report, followed by a Mid-Year 2021 Update. The Company published its 2022 ESG Report in the third quarter of 2022.

With the goal to better communicate its ESG journey, the Company is committed to providing interim updates on specific topics. Over the past year, many of the Company's ESG initiatives were focused on its team members.

The ESG Steering Committee Charter provides that the purpose of the ESG Committee is to support the Company's ongoing commitment to environmental protection, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively, "**ESG Matters**") by assisting the senior executive team and the Board in: (a) setting general strategy relating to ESG Matters; (b) developing, implementing, and monitoring initiatives and policies based on that strategy; (c) overseeing communications with employees, residents and their families, investors and stakeholders with respect to ESG Matters; and (d) monitoring and assessing developments relating to, and improving the Company's understanding of, ESG Matters.

For more information on the Company's ESG initiatives, including its ESG Report and ESG Steering Committee Charter, please refer to the ESG section on the Company's website under https://www.siennaliving.ca. While recent efforts show a more structured and proactive approach, ESG practices across the Company's operations have long been integrated into its overall strategy and daily business practices.

ESG Stewardship

The Board has the ultimate responsibility for overseeing and monitoring the Company's ESG initiatives. The ESG Committee regularly receives reports from management on ESG initiatives and the status, implementation and expansion thereof. The Chair of the ESG Committee reports to the Compensation, Governance and Nominating Committee on ESG matters which, in turn, may make recommendations to the Board on relevant ESG initiatives.

Diversity, Equity and Inclusion

A Diverse and Inclusive Workforce

Gender – Sienna's total workforce is predominantly female, with approximately 87% of team members working at the Company's long-term care and retirement residences being female. The high percentage of women in the Company's workforce is also reflected in its management team with approximately 80% of the Company's nearly 400 leadership positions being held by women. Sienna has been recognized once again in the Globe and Mail's 2022 "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, between 35 – 50, and over 50, with approximately one third of team members in each of these age groups.

Fair Compensation and Gender Pay Equity

Essentially all of Sienna's frontline team members earn more than minimum wage with approximately 80% earning at least 30% above minimum wage.

With respect to gender pay equity across the Company's long-term care and retirement operations, male and female frontline team members in similar positions receive comparable compensation.

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 to all permanent employees who have been with the Company for one year or longer.

Indigenous Relations and Reconciliation

Sienna continues to place enhanced emphasis on Indigenous Relations and Reconciliation. The Company is committed to ensuring it does everything it can to understand what has happened in the past, acknowledge it and make amends to the best of its ability, over time. The Company believes that education is an important first step to bring about reconciliation between Indigenous and non-Indigenous people.

Sienna has partnered with Reconciliation Education, an Indigenous-owned organization, to provide resources for all team members. Sienna is committed to ensuring its residences and care communities are inclusive for Indigenous team members and residents and acknowledges the pain and suffering the Indigenous members of its team have been through.

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 its local communities, cultivating strong relationships with union stakeholders and aligning collective agreements to its long- term operational strategies.

The Company respects 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 its residences, which includes over 100 collective bargaining units and an approximate 85% unionization rate among team members.

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

Giving Back to the Community

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

The Foundation was formed in April 2021 as part of the Company's ongoing commitment to supporting the communities it serves across Canada and allows the Company to raise and give funds for a variety of important seniors- related initiatives.

With food insecurity as a pressing concern, the Foundation's latest initiative is "Sienna Sunday Supper". Spearheaded by one of Sienna's communities, team members prepared Thanksgiving meal for the local Meals on Wheels program which was a great success. Sienna Sunday Supper will be expanded across many of Sienna's care communities in the future.

In December 2021, the Foundation's support for Indspire, a national Indigenous charity, helped establish a bursary award for Indigenous students in British Columbia who are pursuing education in nursing or health care assistant programs. In September 2022, the first two bursaries were awarded to students.

In 2023, the Foundation is also a sponsor of the Chilliwack & District Seniors' Resources Society's community bus, connecting seniors to entertainment, history, arts, culture, recreation, shopping and more.

Sienna Senior Living Dino Chiesa Scholarship

In August 2022, the Company announced the Sienna Senior Living Dino Chiesa Scholarship of $50,000, which offers scholarships annually to Sienna employees, or members of their immediate families, to receive formal education and certification as a Personal Support Worker.

Three individual scholarships for $5,000 each were announced in 2022.

CaRES Fund

The CaRES Fund, which was launched by Sienna and a number of sector peers in 2020, has helped nearly 900 frontline staff who have been impacted by the COVID-19 pandemic with over $2.9 million in financial assistance to date.

Initially established to provide hardship funding in recognition of the extraordinary efforts of seniors' living employees, the CaRES Fund has shifted its focus from crisis funding for economic hardship as a result of the pandemic to education bursaries. In 2022, the CaRES Fund provided $250,000 in bursaries to 100 staff members in seniors' living.

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 the Company adopts environmentally-friendly designs and installs 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 for 2023. 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 its care communities and retirement residences. These initiatives target a reduction in Sienna's paper usage by approximately 760,000 sheets annually.

RISK FACTORS

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

To preserve and enhance shareholder value over the long-term, the Company approaches the management of risk strategically through its disciplined enterprise risk management (“**ERM**”) program. The Company conducts an annual ERM assessment which is overseen by the Company's senior management team and is reported to the

Board. A key element of the ERM program is the periodic review, identification and assessment of risk. The ERM framework sets out principles and tools for identifying, evaluating, prioritizing and managing risk effectively across the Company. Senior management participates in a detailed review of enterprise risk in four major categories: strategic, operational, compliance, financial and reporting. In addition, the Company monitors risks and changing economic conditions on an ongoing basis and adapts its operating strategies as needed.

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

Risks Relating to the Business

General business risks

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

COVID-19 and other outbreaks

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

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

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

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

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

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

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

Liability and insurance

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

In May 2020, the Company became aware of a statement of claim in respect of a proposed class action alleging, among other things, negligence, breach of contract and breach of fiduciary duties in respect of the care and treatment of residents at the Company's residences during the COVID-19 pandemic. The claim is brought against the Company and certain of its subsidiaries on behalf of residents residing at all of the Company's owned and managed long-term care residences in Ontario during the pandemic, as well as the families of those residents, and seeks damages in the aggregate amount of $120 million. The claim is a joint claim against the Company and another senior living operator.

Between June and September 2020, the Company became aware of statements of claim in respect of four proposed class actions alleging, among other things, negligence, breach of contract and breach of fiduciary duties in respect of the care and treatment of residents at Altamont Care Community, Woodbridge Vista Care Community, Weston Terrace Care Community and Camilla Care Community during the COVID-19 pandemic. These claims are brought against the Company and certain of its subsidiaries on behalf of all residents residing at each of these respective residences during the pandemic, as well as the families of those residents, and seeks damages in the aggregate amount of $20 million, $16 million, $16 million and $25 million, respectively.

In September 2020, the Company became aware of a statement of claim in respect of a proposed class action alleging, among other things, negligence and breach of fiduciary duties in respect of the care and treatment of residents residing at various long-term care residences in Ontario, including nine Sienna owned and managed residences, during the COVID-19 pandemic. This claim is a joint claim against Sienna, certain of its subsidiaries as well as other defendants, including the Province of Ontario, the City of Toronto and other senior living operators, on behalf of residents and their families and seeks damages in the aggregate amount of $600 million.

On January 21, 2022, the Superior Court of Justice made an order consolidating the above 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 million. The Court ordered that the proposed class actions, other than the consolidated claim, be stayed pending the outcome of the certification motion on the consolidated claim and that no other class proceedings may be commenced in Ontario in relation to the subject matter of the consolidated claim without leave of the Court. The consolidated claim, in effect, replaces all of the other proposed class actions.

None of the above proposed class action claims, including the consolidated claim, have been certified as a class action. The Company is vigorously defending itself against these claims.

Given the status of the proceedings, management is unable to assess the potential impact of any of these proposed class actions, including the consolidated claim, on the Company's financial results.

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

Labour intensive operations

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

Developments related to Pay Equity

The Company along with a number of other industry participants and the Ontario government are currently engaged in proceedings with two unions regarding pay equity maintenance for employees at long-term care facilities, for which wages and benefits are typically funded by the MLTC. In October 2021, the Supreme Court of Canada denied leave to appeal and upheld the appellate court ruling that the proxy method should be used and comparisons should be made to an outside sector. The Company and the other participants in the long-term care sector are working with the unions and government to assess the impact of the ruling and establish a framework for pay equity suitable for the sector.

Given the current status of the proceedings and significant number of judgements required in establishing the pay equity framework, including ongoing discussions with two unions amongst the parties, that will impact the measurement of any potential provision, management has assessed the conditions required for a provision and have concluded that it is not possible to reliably measure the potential outflow of resources, and accordingly no provision has been recorded in the consolidated financial statements as at December 31, 2022.

Government regulation

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

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

The retirement sector requires that a residence and operator must be licensed to operate. Retirement residences are regulated by the RHA in the Province of Ontario, the PCA in the Province of Saskatchewan and the CCALA in the Province of British Columbia. In Ontario, the RHRA, a regulatory body created by the RHA, provides consumer protection and regulation, but not funding, for the provision of care and services in retirement residences in the province. Retirement residences are required to be licensed by the RHRA in order to operate in Ontario and are inspected regularly by RHRA inspectors. In Saskatchewan, the Ministry of Health is responsible for the licensing and monitoring of personal care homes. The PCA governs the care, management and administration of care homes, including approving the services to be provided, and which are subject to regular inspections. In British Columbia, the CCALA provides consumer protection and regulation of retirement residences in the province, such that all levels of seniors' living residences providing personal support in British Columbia must be registered with the Assisted Living Registry.

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

Information technology risk

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

Long-Term Care Funding

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

Funding adjustments in the current year

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

Licence terms

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

Labour relations

A majority of the employees working at the Company’s properties are unionized with approximately 82% of employees represented by union locals of any of the Service Employees International Union, the Ontario Nurses Association, the BC Nurses’ Association, the BC Government and Service Employees’ Union, the Hospital Employees’ Union, the Christian Labour Association of Canada, the Canadian Union of Public Employees, Healthcare Office and Professional Employees, Unifor, Ontario Public Service Employees Union, Workers United Canada Council or United Food and Commercial Workers. While the Company has traditionally maintained positive labour relations, there can be no assurance the Company will not at any time, whether in connection with a renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or employees, which may have a material adverse impact on the business, operating results and financial condition of the Company. Notwithstanding the foregoing, all long-term care communities in Ontario are governed by the *Hospital Labour Disputes Arbitration Act* (Ontario), which prohibits strikes and lockouts in the seniors’ living industry. As a result, collective bargaining disputes in Ontario are more likely to be resolved through compulsory third party arbitration.

Capital intensive industry

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

Privacy and cybersecurity risk

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

The Company takes data privacy and protection seriously and has implemented processes, procedures and controls to help mitigate these risks. Access to personal data is controlled through physical security and IT security measures, and employees are frequently trained in the safeguarding of sensitive information. For information stored with or processed by third parties, the Company undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by the Company. Additionally, the Company monitors and assesses risks surrounding collection, use, storage and protection practices of personal data. However, these measures, as well as its increased awareness of a risk of a cybersecurity incident, do not guarantee that the Company's financial results would not be negatively impacted by such an incident.

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

Real property ownership

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

Damage to administrative operations or properties

The Company's ability to sustain or grow its business is heavily dependent on efficient, proper and uninterrupted operations at its properties. Power failures or disruptions, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment and destruction of buildings, equipment and other facilities due to natural disasters or other causes could severely affect its ability to continue operations. While the Company does maintain certain insurance policies covering losses due to fire, lightning and explosions, there can be no assurance its coverage would be adequate to compensate the Company for the actual cost of replacing such buildings, equipment and infrastructure nor can there be any assurance that such events would not have a material adverse impact on the business, operating results and financial condition of the Company.

Environmental liabilities

The Company is subject to various environmental laws and regulations under which it could become liable for the costs of removing or remediating certain hazardous, toxic or regulated substances released on or in the properties it owns or manages, or which have been disposed of at other locations, in some cases regardless of whether or not the Company knew of or was responsible for their presence. The failure to address such issues may adversely affect the Company's ability to sell properties or to borrow using properties as collateral and/or could potentially result in claims against the Company. Management of the Company is not currently aware of any material non-compliance, liability or other claim in connection with any of the Company's owned properties or those it manages. It is the Company's operating policy to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring or financing any property, or to otherwise obtain applicable reliance letters in respect thereof. Where Phase I environmental site assessments identify sufficient environmental concerns or recommend further assessments, Phase II or Phase III environmental site assessments are conducted. Notwithstanding the foregoing, there can be no assurance that the Company will not be required, at some future date, to incur significant costs to comply with environmental laws, or that our operations, business, assets, cash flow or the market price of our Common Shares will not be materially adversely affected by current or future environmental liabilities.

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

Climate change

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

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

Acquisitions, dispositions and development

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

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

Redevelopment of Class B and C residences

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

Joint venture interests

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

Financing risk

The Company expects its working capital needs and capital expenditure needs to increase in the future as it continues to expand and enhance its portfolio. The Company's ability to raise additional capital will depend on the financial success of its current business and the successful implementation of its key strategic initiatives as well as, financial, economic and market conditions and other factors, some of which are beyond its control. No assurance can be given that it will be successful in raising the required capital at reasonable cost and at the required times, or at all. Further equity financings may have a dilutive effect on the value of the Common Shares. If the

Company is unsuccessful in raising additional capital, it may not be able to continue its business operations and advance its growth initiatives, which may have a material adverse impact on the business, operating results and financial condition of the Company.

The Company was in compliance with its financial covenants as at December 31, 2022. However, there can be no assurance that future covenant requirements will be met. The Company's bank lines and other debt may be affected by its ability to remain in compliance with their respective terms. If the Company does not remain in compliance with its financial covenants, its ability to amend the covenants or refinance its debt may be affected.

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

Credit ratings

The credit ratings assigned to the Company are an assessment of the Company's ability to pay its obligations. The Company received a "BBB" investment grade credit rating with a "Stable" trend from DBRS. DBRS has also assigned a rating of "BBB", with a "Stable" trend, to the Company's 3.109% Series A Senior Unsecured Debentures due November 4, 2024 (the "**Series A Unsecured Debentures**"), 3.474% Series B Senior Secured Debentures due February 3, 2021 (the "**Series B Unsecured Debentures**") and the Series C Unsecured Debentures. There is no assurance the Company will continue to receive such credit ratings. Thus, real or anticipated changes in the Company's credit ratings may affect its capital structure and may have a material adverse impact on the business, operating results and financial condition of the Company.

Reliance on key personnel

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

Competition

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

Geographic concentration

A majority of the business and operations of the Company is conducted in Ontario, although the Company also has a significant presence in Saskatchewan and British Columbia. The fair value of the Company's assets and the income generated therefrom may be adversely impacted by changes in local and regional economic conditions in these jurisdictions.

Tax rules and regulations

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

Interest Rate and Inflation Risk

In an attempt to combat recent inflation through cooling demand, the Bank of Canada and the Federal Reserve have tightened monetary policy through Fiscal 2022 by increasing the overnight lending rate. In a rising interest rate environment, the cost of acquisitions and financing rises, which may negatively impact the Company's business, financial condition and results of operations.

Inflation in Canada and the U.S. is currently at historically high levels. The rate of inflation impacts the general economic and business environment in which the Company operates. Recent inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, will put pressure on the Company's acquisition, financing, operation and labour costs and could negatively impact the Company's business, financial condition and results of operations. If inflation at elevated levels persists and interest rates continue to climb, an economic contraction is possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which the Company may seek capital, and in turn might impact its ability to obtain capital in the future on favourable terms, or at all. While the Company's market position provides it with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on its business, operations, and financial performance.

Corporate Responsibility and ESG

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

Risks Relating to a Public Company and Common Shares

Volatile market price for securities of the Company

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

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

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

Sienna Senior Living Inc. is a holding company

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

Dividend policy

Commencing with the December 2012 dividend, the Board established a dividend policy authorizing the declaration and payment of an annual dividend of $0.90 per Common Share, to be paid to holders of Common Shares on a monthly basis. The annual dividend increased by 2% to $0.918 per Common Share starting with the

September 2018 dividend for shareholders of record on August 31, 2018. The annual dividend was further increased by 2% to $0.936 per Common Share starting with the September 2019 dividend for shareholders of record on August 30, 2019. Any determination to pay cash dividends is at the discretion of the Board after taking into account such factors as the Company's financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, the requirements of any future financing agreements and other factors that the Board may deem relevant. Cash dividends are not guaranteed and may fluctuate or cease based on the performance of the Company.

Compliance with financial reporting and other requirements as a public company

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

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

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

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

Conflicts of interest

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

Dilution and future sales of the Company's securities

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

DIVIDEND POLICY

The Company's dividend policy is at the discretion of the Board.

The chart below sets out the amount of cash dividends paid by the Company for each of the three most recently completed fiscal years.

Year-Ended December 31	Cash Dividend per Common Share
2020	\$0.936(1)
2021	\$0.936(2)
2022	\$0.936(3)

Notes:

(1) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2020

(2) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2021

(3) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2022

Future dividends, if any, will depend on the operations and assets of the Company and will be subject to various factors, including, without limitation, the Company's financial performance, fluctuations in its working capital, the sustainability of its margins, its capital expenditure requirements, obligations under its credit facilities, provisions of applicable law (including satisfying the dividend solvency test applicable to BCBCA companies) and other factors that the Board may deem relevant from time to time. There can be no guarantee that the Company will maintain its current dividend policy. See "Risk Factors".

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of: (a) one special share; (b) an unlimited number of Common Shares; and (c) an unlimited number of Preferred Shares, issuable in series. The special share was issued on the formation of SSLI and was redeemed, for nominal consideration, immediately following closing of the IPO and no further special shares may be issued. As at the close of business on March 1, 2023, the Company had 72,939,941 outstanding Common Shares and no outstanding Preferred Shares.

Common Shares

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company, except meetings of holders of another class of shares. Each Common Share entitles the holder thereof to one vote.

Subject to the preferences accorded to holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time in equal amounts per share on the Common Shares at the time outstanding, without preference or priority.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "**Distribution**"), holders of Common Shares are entitled, after payment of debts and other liabilities, in each case subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Company.

Preferred Shares

The Preferred Shares in the capital of the Company are issuable at any time and from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Preferred Shares of each series, which may include voting rights, the whole subject to the issue of a certificate of amendment setting forth the designation and provisions attaching to the Preferred Shares or shares of the series. The Preferred Shares of each series will rank on par with the Preferred Shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and on a Distribution. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series will participate rateably in accordance with the amounts that would be payable on such Preferred Shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital were paid in full, as the case may be.

Third Amended and Restated Shareholders' Rights Plan

Background

On March 23, 2010, following the Company's IPO, the Board adopted the original shareholder rights plan of the Company, which has been amended and restated to reflect certain amendments over time and was most recently reconfirmed by shareholders at the annual and special meeting of the shareholders held on April 19, 2022 (the "**Rights Plan**").

Summary

The following is a summary of certain material provisions of the Rights Plan, a copy of which is available on SEDAR (accessible at www.sedar.com) or on the Company's website at www.siennaliving.ca. This summary does not purport to be complete and is qualified entirely by the Rights Plan. Capitalized terms used in this summary and not otherwise defined have the meaning ascribed thereto in the text of the Rights Plan

Pursuant to the Rights Plan, the Company has issued one right (a "**Right**") for each Common Share that is currently outstanding and will issue one Right for each Common Share issued during the currency of the Rights Plan.

The Rights Plan utilizes the mechanism of the "**Permitted Bid**" (as described below) to require all potential bidders for the Company to comply with the conditions specified in the Permitted Bid provisions or else be subject to the dilutive features of the Rights Plan. The Rights Plan is designed to make it impractical for any person to acquire more than 20% of the outstanding Common Shares without the approval of the Directors except pursuant to the Permitted Bid procedures or pursuant to certain other exempt transactions outlined below.

Separation Time

The Rights will separate and trade separately from the Common Shares after the Separation Time (as defined below). Following the Separation Time, separate certificates evidencing the Rights ("**Rights Certificates**") will be provided for shareholders as of the Separation Time and each separate Rights Certificate alone will evidence the Rights. Registration of interests in and transfer of the Rights will be made only through a book entry system administered by CDS Clearing and Depository Services Inc.

The "**Separation Time**" is the close of business on the 10th Business Day following the earliest of:

(a) the date of the first public announcement made by the Company or an Acquiring Person that a person has become an Acquiring Person;

(b) the date of the commencement of, or first public announcement of the intent to commence, a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) by any person (an "**Offeror**") for the Common Shares;

(c) the date upon which a Permitted Bid ceased to be a Permitted Bid; or

(d) such later date as may be determined by the Board.

If any take-over bid triggering the Separation Time expires or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, the bid shall be deemed, for the purposes of determining the Separation Time, never to have been made.

Exercise Price of Rights

The initial exercise price established under the Rights Plan is $100 per Common Share. After the Separation Time and prior to the occurrence of a Flip-In Event (as defined below), each Right entitles the registered holder to purchase one Common Share at the exercise price of $100 per Common Share, subject to certain anti-dilution adjustments and other rights as will be set out in the Rights Plan. The terms of the Rights adjust significantly upon the occurrence of a "Flip-In Event", as described below.

Flip-In Event

A "**Flip-In Event**" is triggered when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, the Company must take such action as shall be necessary to ensure that each Right (except for Rights beneficially owned by the persons specified below) shall thereafter constitute the right to purchase from the Company upon exercise thereof in accordance with the terms of the Rights Plan that number of Common Shares having an aggregate market price on the date of the consummation or occurrence of such Flip-In Event equal to twice the exercise price, for an amount in cash equal to the exercise price. By way of example, if at the time of such announcement the exercise price of the Rights is $100 and the Common Shares have a market price of $10 per Common Share, the holder of each Right would be entitled to purchase the number of Common Shares that has in the aggregate a market price of $200 (i.e., 20 Common Shares in this example) for a price of $100, that is, at a 50% discount.

The Rights Plan provides that Rights that are beneficially owned by:

(a) an Acquiring Person, any affiliate or associate of an Acquiring Person, any person acting jointly or in concert with an Acquiring Person, or any affiliate or associate of such Acquiring Person; or

(b) a transferee, direct or indirect, of Rights from any of the foregoing,

shall in certain circumstances become null and void without any further action and any holder of such Rights (including transferees) shall not have any rights whatsoever to exercise such Rights under any provision of the Rights Plan.

Acquiring Person

An "**Acquiring Person**" is a person who beneficially owns 20% or more of the outstanding Common Shares. An Acquiring Person does not, however, include:

(a) the Company or any other affiliate controlled by the Company;

(b) any person who owns, directly or indirectly, 20% or more of the securities of SSLI on closing of the IPO (a "**Grandfathered Person**"), provided, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after closing of the IPO, become the owner, directly or indirectly, of an additional 1% of the outstanding Common Shares, other than pursuant to certain exempt transactions described below; or

(c) any person who becomes the beneficial owner of 20% or more of the Common Shares as a result of certain exempt transactions.

Where a Person is deemed to beneficially own the Common Shares issuable under that Person's Convertible Securities, those Common Shares will be considered to be outstanding for purposes of calculating the number and percentage of Common Shares beneficially owned by that Person.

Exempt transactions include:

(a) specified acquisitions or redemptions of Common Shares;

(b) acquisitions pursuant to a Permitted Bid (which may include a Competing Permitted Bid), as described below; or

(c) acquisitions of Common Shares in exchange for additional properties being acquired by the Company.

Permitted Bids and Competing Permitted Bids

A "**Permitted Bid**" means a bid which is made by an Offeror by means of a take-over bid circular and which also complies with the following additional provisions:

(a) the bid is made to all holders of Common Shares, other than the Offeror, as registered on the books of the Company;

(b) the bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that (A) no Common Shares shall be taken up or paid for pursuant to the bid prior to the close of business on the date which is not less than 105 days following the date of the bid and (B) no Common Shares shall be taken up or paid for pursuant to the bid unless, at the date referred to in (A) above, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn;

(c) the bid contains an irrevocable and unqualified provision that, unless the bid is withdrawn, Common Shares may be deposited pursuant to such bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and that any Common Shares deposited pursuant to the bid may be withdrawn until taken up and paid for; and

(d) the bid contains an irrevocable and unqualified provision that if, on the date on which Common Shares may be taken up or paid for, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn, the Offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Common Shares for not less than 10 days from the date of such public announcement;

provided that if a bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

A "**Competing Permitted Bid**" means a bid that:

(a) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or other Competing Permitted Bid;

(b) satisfies all components of the definition of a Permitted Bid other than the requirements set out in paragraph (b) of the definition of Permitted Bid as described above; and

(c) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the bid prior to the close of business on a date that is no earlier than the later of (A) the last day on which the bid must be open for acceptance after the date of such bid under applicable Canadian securities legislation and (B) the earliest date on which securities may be taken up or paid for under any prior bid.

Neither a Permitted Bid nor a Competing Permitted Bid is required to be approved by the Board and such bids may be made directly to shareholders. Acquisitions of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-In Event.

Redemption and Waiver

The Board, with the consent of the holders of Common Shares, may, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the Rights at a redemption price of $0.0001 per Right (the "**Redemption Price**"). Rights will be deemed to immediately be redeemed at the Redemption Price where a person acquires Common Shares pursuant to a Permitted Bid or Competing Permitted Bid. If the Board elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will terminate and each Right will after redemption be null and void and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

The Board, with the consent of the holders of Common Shares, may waive application of the Rights Plan to a take-over bid prior to the occurrence of a Flip-In Event that would occur as a result of an acquisition of Common Shares otherwise than pursuant to a take-over bid made by way of take-over bid circular sent to all holders of voting securities of the Company. In such event, the Board shall extend the Separation Time to a date at least 10 business days subsequent to the meeting of shareholders called to approve such waiver.

The Board, in its discretion, may waive application of the Rights Plan to a take-over bid prior to the occurrence of a Flip-In Event that would occur as a result of a take-over bid made by way of take-over bid circular sent to all holders of Common Shares. Once the Board has exercised its discretion to waive application of the Rights Plan in respect of any particular take-over bid and another take-over bid is made, the Board shall be deemed to have waived the application of the Rights Plan to such other take-over bid provided that such other take-over bid is made by way of a formal take-over bid circular to all holders of Common Shares prior to the expiry of the take-over bid in respect of which the waiver has been granted.

Reconfirmation and Amendment

In order to remain effective, the Rights Plan must be reconfirmed by shareholders at every third annual meeting of the Company. The Rights Plan was reconfirmed by shareholders at the Company's annual and special meeting of shareholders held on Tuesday, April 19, 2022.

INDEBTEDNESS

Debt Strategy and Maturity Schedule

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 $97,796 as at December 31, 2022. On December 9, 2022, DBRS confirmed Sienna’s “BBB” investment grade credit rating with a “Stable” trend from DBRS and has also assigned a rating of “BBB”, with a “Stable” trend for the Company’s Series A Unsecured Debentures, Series B Unsecured Debentures and Series C Unsecured Debentures.

The Company’s total debt is comprised as follows:

Thousands of Canadian dollars	**December 31, 2022**	December 31, 2021
Series A Unsecured Debentures	**150,000**	150,000
Series B Unsecured Debentures	**175,000**	175,000
Series C Unsecured Debentures	**125,000**	125,000
Unsecured Term Loan	**50,000**	—
Credit facilities	**60,000**	12,000
Mortgages	**422,678**	496,167
Lease liability	**2,844**	1,312
	985,522	959,479
Fair value adjustments on assumed debt	**2,343**	2,683
Less: Deferred financing costs	**(9,901)**	(11,878)
Total debt	**977,964**	950,284

The Company’s total debt as at December 31, 2022 was $977,964 (December 31, 2021 - $950,284). The increase of $27,680 was primarily related to the unsecured term loan used by the Company to invest in Sienna-Sabra LP for its acquisitions and an increase in the amount drawn under the Unsecured Revolving Credit Facility, partially offset by repayment of property-level mortgages.

The following table summarizes the scheduled principal maturities of the Company’s long-term debt commitments as at December 31, 2022:

Thousands of Canadian dollars, except interest rate

Year	Series A Unsecured Debentures (1)	Series B Unsecured Debentures (2)	Series C Unsecured Debentures (3)	Unsecured Term Loan	Credit Facilities	Capitalized Lease Principal Payments (4)	Mortgages: Regular Principal Repayments	Mortgages: Principal Due at Maturity	Mortgages: Weighted Average Interest Rate on Maturing Mortgages	Total	Consolidated Weighted Average Interest Rate on Maturing Debt
2023	—	—	—	50,000	—	364	16,922	60,824	3.39 %	**128,110**	4.58 %
2024	150,000	—	—	—	—	365	15,123	50,104	4.10 %	**215,592**	3.38 %
2025	—	—	—	—	—	407	11,557	41,065	3.78 %	**53,029**	3.78 %
2026	—	175,000	—	—	—	423	11,643	—	— %	**187,066**	3.45 %
2027	—	—	125,000	—	60,000	440	11,033	35,115	3.30 %	**231,588**	3.75 %
2028	—	—	—	—	—	457	5,975	115,703	3.35 %	**122,135**	3.35 %
2029	—	—	—	—	—	388	1,810	5,477	5.20 %	**7,675**	5.20 %
2030	—	—	—	—	—	—	1,410	9,230	1.65 %	**10,640**	1.65 %
Thereafter	—	—	—	—	—	—	11,924	17,763	5.00 %	**29,687**	5.00 %
	150,000	**175,000**	**125,000**	**50,000**	**60,000**	**2,844**	**87,397**	**335,281**	**3.64 %**	**985,522**	3.69 %
Fair value adjustments on assumed debt										**2,343**	
Less: Deferred financing costs										**(9,901)**	
Total debt										**977,964**	

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 debt for its equity-accounted joint venture:

Thousands of Canadian dollars	**December 31, 2022**	December 31, 2021
Mortgages	**26,177**	—
Fair value adjustments on assumed debt	**(2,522)**	—
Less: Deferred financing costs	**(12)**	—
Total mortgages	**23,643**	—

Year	**Regular Principal Repayments**
2023	**915**
2024	**936**
2025	**957**
2026	**978**
2027	**1,000**
2028	**1,023**
2029	**1,046**
2030	**1,069**
Thereafter	**18,253**
	26,177
Fair value adjustments on assumed debt	**(2,522)**
Less: Deferred financing costs	**(12)**
Total debt	**23,643**

Senior Unsecured Debentures

Series A Unsecured Debentures

On November 4, 2019, the Company issued the Series A Unsecured Debentures. The net proceeds from the issuance were used to repay a portion of the Company's existing indebtedness and for general corporate purposes.

The Series A Unsecured Debentures were issued pursuant to a first supplemental indenture dated November 4, 2019 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the "**Series A Unsecured Trust Indenture**"). Interest on the Series A Unsecured Debentures, at 3.109% per annum, is payable in equal semi-annual instalments in arrears in May and November of each year. The Series A Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days' and not more than 60 days' notice to the holders of the Series A Unsecured Debentures, at a redemption price equal to: (A) prior to October 4, 2024 (the "**Series A Par Call Date**"), the greater of (i) the face amount of such notes and (ii) the Canada Yield Price, as defined in the Series A Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with accrued and unpaid interest, and (B) following the Series A Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series A Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series A Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series A Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series A Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

Series B Unsecured Debentures

On October 2, 2020, the Company issued the Series B Unsecured Debentures. A portion of the net proceeds from the issuance was used to repay all of the outstanding Series B Secured Debentures.

The Series B Unsecured Debentures were issued pursuant to a second supplemental indenture dated October 2, 2020 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the "**Series B Unsecured Trust Indenture**"). Interest on the Series B Unsecured Debentures, at 3.45% per annum, is payable in equal semi-annual instalments in arrears in February and August of each year. The Series B Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days' and not more than 60 days' notice to the holders of the Series B Unsecured Debentures, at a redemption price equal to: (A) prior to January 27, 2026 (the "**Series B Par Call Date**"), the greater of (i) the face amount of such notes and (ii) the Canada Yield Price, as defined in the Series B Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with accrued and unpaid interest, and (B) following the Series B Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series B Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series B Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series B Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series B Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

Series C Unsecured Debentures

On June 3, 2021, the Company issued the Series C Unsecured Debentures. On June 4, 2021, the Company used the proceeds from the issuance of the Series C Unsecured Debentures to fully repay the $100 million Secured Credit Facility that was due on October 2, 2021.

The Series C Unsecured Debentures were issued pursuant to a fourth supplemental indenture dated as of June 3, 2021 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the "**Series C Unsecured Trust Indenture**"). Interest on the Series C Unsecured Debentures, at 2.82% per annum, is payable in equal semi-annual instalments in arrears in September and March of each year. The Series C Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days' and not more than 60 days' notice to the holders of the Series C Unsecured Debentures, at a redemption price equal to: (A) prior to January 31, 2027 (the "**Series C Par Call Date**"), the greater of (i) the face amount of such notes and (ii) the Canada Yield Price, as defined in the Series C Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with accrued and unpaid interest, and (B) following the Series C Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series C Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series C Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series C Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series C Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

The foregoing summaries are qualified in their entirety by reference to the Series A Unsecured Trust Indenture, the Series B Unsecured Trust Indenture and the Series C Unsecured Trust Indenture and their governing terms.

Credit Ratings

On December 9, 2022, the Company confirmed its "BBB" investment grade credit rating with a "Stable" trend from DBRS for the Company and its senior unsecured debentures.

The following information relating to DBRS credit ratings is based on information made available to the public by DBRS. A credit rating of "BBB" by DBRS is the fourth highest of 10 categories and is assigned to debt that is considered to be of adequate credit quality, where the capacity for payment of financial obligations is considered acceptable but the issuing entity may be vulnerable to future events. The assignment of a "(high)" or "(low)" modifier within each rating category indicates relative standing within such category. The absence of either a "(high)" or "(low)" designation indicates that the rating is in the middle of the category. The assignment of a "Positive", "Stable" or "Negative" trend modifier provides guidance in respect of DBRS' opinion regarding the outlook for the rating. The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases, unless challenges are addressed by the issuer; a "Positive" or "Negative" trend does not necessarily indicate that a rating change is imminent.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by DRBS if in its judgment circumstances so warrant. The rating of any debt securities is not a recommendation to buy, sell or hold such securities, inasmuch as such rating does not comment as to market price or suitability for a particular investor.

Credit Facilities

Revolving Credit Facilities

On March 19, 2020, the Company entered into the Unsecured Revolving Credit Facility. On October 26, 2022, this facility was increased by $100 million to $300 million and its maturity term was extended by two years to March 2027.

The Company has other property-level credit facilities totaling $2.5 million that can be accessed for general working capital purposes. Borrowings pursuant to these facilities are available by way of loans at an interest rate of prime plus 50 basis points per annum.

Non-Revolving Credit Facilities

On May 16, 2022, the Company entered into an acquisition term loan, on which it drew down $90 million, in connection with the acquisition of the Portfolio bearing interest at 145 basis points per annum over the floating bankers' acceptance ("**BA**") rate for a 12-month term from the closing. The Company is in the process of refinancing the acquisition term loan, of which only $50 million was outstanding as at December 31, 2022.

Further, the Company has a non-revolving acquisition loan facility in the amount of $6 million that matures on June 6, 2025. Borrowings under this facility are available by way of loans at an interest rate of prime plus 75 basis points per annum and/or BAs at the BA rate plus 175 basis points per annum.

MARKET FOR SECURITIES

The outstanding Common Shares of the Company trade on the TSX under the symbol "SIA". The following table sets out the reported high and low prices and the volume traded of the Common Shares on the TSX for each month during 2022:

	Toronto Stock Exchange		
Month	High	Low	Volume
January	$15.35	$13.78	5,851,300
February	$15.78	$14.56	4,903,100
March	$15.59	$14.70	10,013,200
April	$15.64	$13.89	4,629,200
May	$13.98	$12.84	6,617,900
June	$13.76	$12.32	5,925,400
July	$13.60	$12.80	3,592,500
August	$14.20	$13.29	4,126,100
September	$13.50	$11.55	4,153,400
October	$12.39	$10.89	4,699,200
November	$12.38	$11.27	6,199,000
December	$11.91	$10.61	7,389,700

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To our knowledge, there are no Common Shares that are in escrow or that are subject to a contractual restriction on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, as of the date hereof, for each of the directors and executive officers of the Company, the person's name, municipality of residence, positions with the Company (i.e., directorship) and principal occupation. Ms. Jourdain Coleman, Mr. Sender, Mr. Johnston, Mr. Jain, Ms. Jamieson, Mr. Boniferro and Dr. Cody were appointed to the Board on February 5, 2014, May 23, 2017, May 22, 2019, June 11, 2020, November 23, 2021, February 1, 2022 and June 27, 2022, respectively. The term of office for each of the directors will expire at the time of the next annual meeting of the shareholders of the Company.

As at the close of business on March 1, 2023, the directors and executive officers of the Company collectively beneficially own, directly or indirectly, or exercise control and direction over 311,374 Common Shares (representing in the aggregate approximately 0.43% of the issued and outstanding Common Shares as at such date).

Name and Municipality of Residence	Position with the Company	Date on which became a Director and Principal Occupation if Different from Position Held
Directors		
Paul Boniferro[3] Toronto, Ontario	Director	Non-independent Director since February 2022; Corporate Director
Dr. Gina Parvaneh Cody[1],[2] Toronto, Ontario	Director	Independent Director since June 2022; Corporate Director
Nitin Jain[3][4] Toronto, Ontario	Director, President and Chief Executive Officer	Non-independent Director since June 2020
Shelly Jamieson[1],[2],[3] Norwood, Ontario	Director Board Chair	Independent Director since November 2021; Corporate Director
Brian Johnston[1],[2] Toronto, Ontario	Director Chair of Compensation, Governance and Nominating Committee	Independent Director since May 2019; Corporate Director
Paula Jourdain Coleman[1],[2],[3] Oakville, Ontario	Director Chair of Quality Committee	Independent Director since February 2014; President, Lakebridge Investments Inc.
Stephen Sender[1],[2] Thornhill, Ontario	Director Chair of Audit Committee	Independent Director since May 2017; Corporate Director
Officers		
Nitin Jain Toronto, Ontario	See above	See above

Name and Municipality of Residence	Position with the Company	Date on which became a Director and Principal Occupation if Different from Position Held
David Hung[5] Richmond Hill, Ontario	Chief Financial Officer and Executive Vice President	N/A
Jennifer Anderson[6] Newmarket, Ontario	Executive Vice President, Long Term Care Operations	N/A
Teresa Fritsch[7] Burlington, Ontario	Chief Corporate Officer and Executive Vice President	N/A
Olga Giovanniello[8] Toronto, Ontario	Chief Human Resources Officer and Executive Vice President	N/A
Mark Lugowski[9] Dundas, Ontario	Executive Vice President, Retirement Operations	N/A
Adam Walsh[10] Toronto, Ontario	General Counsel, Senior Vice President and Corporate Secretary	N/A
Nancy Webb[11] Stouffville, Ontario	Senior Vice President, Public Affairs and Marketing	N/A

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation, Governance and Nominating Committee.

(3) Member of the Quality Committee.

(4) Mr. Jain is the President and Chief Executive Officer of the Company. Previously, Mr. Jain was the Chief Financial Officer and Chief Investment Officer of the Company.

(5) Mr. Hung is the Chief Financial Officer and Executive Vice President of the Company. Previously, Mr. Hung was the Chief Investment Officer and Executive Vice President, Corporate Services; Senior Vice President, Corporate Services and Investments; and Vice President, Finance of the Company.

(6) Ms. Anderson is the Executive Vice President, Long Term Care Operations of the Company. Prior to joining the Company, she was the Chief of Operations and Service Excellence Officer of the Workplace Safety Insurance Board.

(7) Ms. Fritsch is the Chief Corporate Officer and Executive Vice President of the Company. Prior to joining the Company, she was the Senior Vice President, Real Estate & Investments at Chartwell Retirement Residences.

(8) Ms. Giovanniello is the Chief Human Resources Officer and Executive Vice President of the Company. Prior to joining the Company, she was the Senior Vice President, Human Resources and Organizational Effectiveness at Canadian Tire Corporation.

(9) Mr. Lugowski is the Executive Vice President, Retirement Operations of the Company. Prior to joining the Company, he was the Vice President, Retirement Communities for Extendicare Inc. and Vice President of Service Innovation and Operations Effectiveness at Amica Seniors Lifestyles (formerly Amica Mature Lifestyles).

(10) Mr. Walsh is the Senior Vice President, General Counsel and Corporate Secretary of the Company. Prior to joining the Company, he was the Vice President, General Counsel at Choice Properties REIT.

(11) Ms. Webb is the Senior Vice President, Public Affairs and Marketing of the Company. Prior to joining the Company, she was Vice-President, Communications and Stakeholder Relations for the Technical Standards and Safety Authority; Chief Executive Officer, Registrar (Interim) and Director of Communications and Stakeholder Relations for the Retirement Homes Regulatory Authority; and Executive Director, Public Affairs for the Ontario Medical Association.

Biographies

The following are brief profiles of the directors of the Company. The principal occupations of each of the directors of the Company for the five years preceding the date of this AIF are set out below.

Paul Boniferro — Director

Mr. Paul Boniferro is an experienced labour and employment lawyer with a diverse background from different sectors, as well as political and public service experience. Most recently, Mr. Boniferro was Ontario's Deputy Attorney General and was the Senior Crown Law Advisor to the Government on all matters. He also acted as a Senior Policy Advisor to the Ontario Minister of Labour, where he advised the government on changes to the Labour Relations Act, the Workers' Compensation Act, the Employment Standards Act and the Pay Equity Act.

Prior to being appointed Deputy Attorney General, Mr. Boniferro was the National Leader of People and Practices and served on the Board of Partners at McCarthy Tétrault, where he practiced for more than 22 years. As a Partner he co-managed the 600-lawyer firm and led the Labour and Employment practice group, where he was involved in some of the country's highest profile collective bargaining and other negotiations both in the private and public sector.

Mr. Boniferro sits on the AECO Innovation Lab Board of Advisors, and the provincial government has appointed him as Transition Supervisory Officer to oversee the Ontario College of Teachers' transition to a new governance structure.

Mr. Boniferro holds a Bachelor of Public Administration Policy from Western University and a law degree from Osgoode Hall. He is called to the bar in both Ontario and Alberta.

Dr. Gina Cody — Director

Dr. Cody has over 30 years experience as a professional engineer, corporate executive and principal shareholder of a national engineering firm, providing services to some of Canada's largest REITs, financial institutions, builders and developers.

Dr. Cody serves as the Chair on the Board of Trustees for TSX-listed Canadian Apartment Properties REIT and as a member of the Board of Trustees for European Residential REIT. Dr. Cody is also the benefactor and namesake of the Gina Cody School of Engineering and Computer Science at Concordia University in Montreal, the first engineering facility in Canada, and one of the first internationally, to be named after a woman.

Previously, Dr. Cody was the Executive Chair of CCI Group Inc. ("**CCI**"). Under her tenor, CCI was recognized as one of Canada's Best Managed Companies, through Canada's leading business awards program and, in 2010 and 2011, Dr. Cody was named one of Canada's Top Women Entrepreneurs by Profit Magazine.

Dr. Cody is a member of the Order of Montreal and the Order of Canada and was named one of the Top 25 Women of Influence in Canada in 2020.

Dr. Cody holds a Masters and a PhD in Building Engineering from Concordia University. She is the first woman awarded a PhD in Building Engineering in Canada. Dr. Cody was awarded an honorary doctorate in engineering in 2022 by University of Sherbrooke.

Nitin Jain — Director, President & Chief Executive Officer

Mr. Jain is the President and Chief Executive Officer of the Company. From 2014 until appointment to his current role, he was the Chief Investment Officer and Chief Financial Officer of the Company. Previously, Mr. Jain held several senior leadership roles at Canadian Tire Corporation and General Electric across Canada and the United

States. Mr. Jain also brings extensive hospitality operations experience from his time working with leading hotel chains across India, the United States and the Middle East.

Mr. Jain holds a Masters of Business Administration from the University of Notre Dame and obtained his undergraduate degree in Hotel and Hospitality Management from Widener University and the Indian Institute of Hotel Management. Mr. Jain is also a graduate of the Director Education Program at Rotman School of Management at the University of Toronto and has earned his Institute of Corporate Director designation (ICD.D).

Shelly Jamieson — Director

Ms. Jamieson brings an extensive and unique balance of private, not-for-profit and public sector experience at the most senior levels of government and in the health care sector. She retired in 2017 as the CEO of the Canadian Partnership Against Cancer, an independent organization funded by Health Canada to accelerate action on cancer control for all Canadians.

Previously, Ms. Jamieson held Ontario's highest-ranking civil servant role as Secretary of Cabinet Head of the Ontario Public Service and Clerk of the Executive Council. She was also Ontario's Deputy Minister of Transportation, Vice-Chair of Health Quality Ontario's Board and was recently a member of the Ontario Health Board as Chair of the Governance Committee.

Before joining government, Ms. Jamieson worked extensively in long-term care and home care. Former roles held by Ms. Jamieson include President of Extendicare Canada, volunteer commissioner on the Health Services Restructuring Commission, and Executive Director of the Ontario Nursing Home Association (now the Ontario Long-Term Care Association). Early in her career, Ms. Jamieson ran her own research and consulting firm specializing in geriatric care environments.

Ms. Jamieson has been a member of the Board of Directors for High Liner Foods Incorporated, a publicly traded company, since 2012 and currently serves as Chair of its Governance Committee. Ms. Jamieson is also a member of the Women's Executive Network Hall of Fame and was awarded the Queen Elizabeth Diamond Jubilee Medal for public service.

Ms. Jamieson holds a Bachelor of Arts (Honours) from the University of Toronto.

Brian Johnston — Director

Mr. Johnston has over 30 years of management experience and is the former Chief Executive Officer of CreateTO, the City of Toronto's real estate entity with a mandate to develop City buildings and lands for municipal purposes. From 2012 to 2018, Mr. Johnston served as Chief Operating Officer of Mattamy Homes. From 2000 to 2012, Mr. Johnston was President of Monarch Corporation.

Mr. Johnston currently serves as a Director of the C.D. Howe Institute, the Bruce Trail Conservancy, the Mortgage Company of Canada and is a member of the Board of Regents at Victoria University in the University of Toronto.

Mr. Johnston holds a Bachelor's Degree from the University of Toronto and holds a CPA designation.

Paula Jourdain Coleman — Director

Ms. Jourdain Coleman is the founder and owner of Lakebridge Investments Inc., a privately-held investment company with interests in both seniors' housing and real estate, and has been serving as its President since 1998. She has over 30 years of experience in long-term care management, facility development, government relations and financial management. Ms. Jourdain Coleman previously served in various roles at Specialty Care Inc. from 1981 to 2014, including as Chair and CEO from 1998 to 2014, where she led its transformation from four small rural homes into a vibrant organization with fourteen long-term care and retirement communities, an active consulting practice and management business. She became a Board member in February 2014 in connection with the Company's 2013 acquisition of a portfolio of Specialty Care properties and a management business.

Ms. Jourdain Coleman previously served on the Board of Directors of each of St. Joseph's Health Care Centre, George Brown College Foundation and the International Women's Forum, and is also a past President of the Ontario Long Term Care Association (OLTCA) and the Ontario Retirement Communities Association (ORCA).

Ms. Jourdain Coleman holds a Masters in Social Work from Wilfrid Laurier University and a Masters of Business Administration from York University.

Stephen Sender — Director

Mr. Sender served as an investment banker for over 30 years in Canada and abroad and was Managing Director, Industry Head — Real Estate in Scotiabank's Global Banking and Markets division, representing the bank's capital markets activities in the Canadian real estate industry. Since the early 1990s, Mr. Sender specialized in the Canadian real estate sector, providing investment banking advice to numerous public entities with respect to capital markets activities. He has been directly involved in raising equity and debt capital in a large number of transactions and has provided financial advice in numerous large transactions including mergers, takeovers and related party transactions.

Mr. Sender currently serves as a member of the Board of Trustees for Allied Properties REIT and is a former trustee of H&R Real Estate Investment Trust.

Mr. Sender has been a frequent moderator/speaker at conferences in Canada focusing on capital markets developments in the real estate sector and was a part time instructor at York University, Schulich School of Business.

Mr. Sender holds a B.Comm. (Honours) degree from the University of Cape Town and qualified as a C.A. (S.A.) in 1984.

Directorships

Except as described above, none of the directors are currently directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

None of the directors or executive officers of the Company is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any person or company (including the Company) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

(a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in the capacity as director or executive officer; or

(b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the directors or executive officers of the Company, or shareholders holding a sufficient number of securities of the Company to affect materially its control:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer of the shareholder; or

(c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same sector as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate or enter into contracts with the Company, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Company, such conflict of interest must be declared and the declaring parties must recuse themselves from the meeting and abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Company's constating documents or the BCBCA, a transaction would not be void or voidable because it was made between the Company and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, directors, officers or other members of management of the Company as a result of their outside business interests.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A".

Composition of Audit Committee

The members of the Company's Audit Committee are:

Stephen Sender (Chair)	Independent(1)	Financially literate(2)
Dr. Gina Parvaneh Cody	Independent(1)	Financially literate(2)
Shelly Jamieson	Independent(1)	Financially literate(2)
Brian Johnston	Independent(1)	Financially literate(2)
Paula Jourdain Coleman	Independent(1)	Financially literate(2)

Notes:

(1) Pursuant National Instrument 52-110 - Audit Committees, as amended, of the CSA ("**NI 52-110**"), a member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Board has determined that each member of the Audit Committee is financially literate, having reference to the definition contained in NI 52-110 and consideration of the relevant education and experience of each member of the Audit Committee.

Relevant Education and Experience

The Board believes that the composition of the Audit Committee reflects a high level of financial literacy. Each member of the Company's Audit Committee has education and experience (see "Directors and Executive Officers" section of this AIF) that is relevant to their performance as an Audit Committee member and has, in particular, education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of the above noted principles in connection with estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.3(2) (Controlled Companies), 3.4 (Events Outside Control of Members), 3.5 (Death, Disability or Resignation of Audit Committee Member), 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), 3.8 (Acquisition of Financial Literacy) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made a recommendation to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems is necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors for the last three fiscal years are as follows:

Year	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All Other Fees(3)	Total Fees
2022……………….	$1,023,850(4)	$nil	$nil	$55,000	$1,078,850
2021……………….	$580,007(5)	$nil	$231,978	$145,000	$956,985
2020……………….	$595,212	$18,000	$nil	$nil	$613,212

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services. 2021 fees include $106,079 charged by Deloitte prior to its appointment as auditor, and also includes $1,605 paid to predecessor auditor.

(3) Fees charged for consulting services related to the Company's operations.

(4) Included Audit Fees charged for assurance services in connection with the Company's equity offering.

(5) Includes Audit Fees of $187,722 paid to the Company's predecessor auditor.

PROMOTERS

No person was considered a promoter of the Company for the purposes of applicable securities legislation during the last two completed fiscal years of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company's business is involved in various legal actions and proceedings which arise from time to time in the ordinary course.

See "Risk Factors – Risks Relating to the Business of the Company – Liability and Insurance".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary entity of the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices located in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts in the ordinary course of business, which have been entered into by SSLI and/or its subsidiary entities and which are still in effect:

- Series A Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Series B Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Series C Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Unsecured Revolving Credit Facility (see “Indebtedness – Credit Facilities – Revolving Credit Facilities” section of this AIF)
- Rights Plan (see “Description of Capital Structure – Third Amended and Restated Shareholders’ Rights Plan” section of this AIF)
- the Underwriting Agreement in connection with the Offering, as described in the Offering prospectus dated March 11, 2022

INTERESTS OF EXPERTS

The Company’s consolidated financial statements for the years ended December 31, 2022, 2021 and 2020 include the auditor’s reports of the Company’s current auditor, Deloitte LLP, dated February 23, 2023, and the Company’s former auditor, PricewaterhouseCoopers LLP, dated February 18, 2021. Deloitte LLP, located in Toronto, Ontario, is independent of the Company within the meaning of the *Rules of Professional Conduct of the Chartered Professional Accountants of Ontario*. Deloitte LLP was appointed as auditor of the Company on June 2, 2021. PricewaterhouseCoopers LLP was independent of the Company within the meaning of the *Rules of Professional Conduct of the Chartered Professional Accountants of Ontario* until June 1, 2021, when it ceased to be auditor of the Company.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, and principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Company’s information circular for its April 18, 2023 annual meeting of shareholders. Additional financial information is provided in the MD&A and the Company’s consolidated financial statements for the year ended December 31, 2022. Such documentation, as well as additional information relating to the Company, may be found under the Company’s profile on SEDAR at www.sedar.com or on the Company’s website at www.siennaliving.ca.

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE

Charter of the Audit Committee

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1. Purpose

The Audit Committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of Sienna Senior Living Inc. (the "**Company**") to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements and other financial information relating to the Company;
- the design and implementation of the Company's internal controls and disclosure controls;
- the compliance by the Company with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the Company's independent auditor;
- the development, review and assessment of the Company's complaints procedure with respect of the reporting of illegal or unethical behaviour;
- the oversight and monitoring of risks delegated to the Committee by the Board in connection with the Enterprise Risk Management program;
- the performance of the Company's Chief Financial Officer; and
- any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, the Company's Chief Financial Officer and other senior financial management, other employees and the Board concerning accounting, and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Company.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with generally accepted accounting principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"), or
- guaranteeing the report of the Company's independent auditor.

Each member of the Committee shall be entitled to rely in good faith upon:

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- financial statements of the Company represented to him or her by senior management of the Company or in a written report of the independent auditor to present fairly the financial position of the Company in accordance with GAAP or IFRS, as applicable; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

In this context, "**good faith reliance**" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competency and integrity.

The fundamental responsibility for the Company's financial statements and disclosure rests with senior management and the independent auditor is responsible for auditing those financial statements. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between senior management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

2. Reports

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Company of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the Company's financial statements;
- compliance by the Company with legal or regulatory requirements in respect of financial matters and disclosure;
- the performance and independence of the Company's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Company; and
- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the Company's publicly filed documents.

3. Composition

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board on the recommendation of the Company's Compensation, Governance and Nominating Committee. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of Shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until

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their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of Directors. Any member of the Committee may be removed from the Committee by a resolution of the Board. Unless the Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the members of the Committee.

Each of the members of the Committee shall be independent and financially literate as defined for the purposes of in National Instrument NI 52-110 – *Audit Committees*, as it may be amended or replaced from time to time. No member of the Committee shall:

- accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries[1] (other than remuneration for acting in his or her capacity as a director) or be an "affiliated person"[2] of the Company or any of its subsidiaries; or

- concurrently serve on the audit committee of a competitor or client without the prior approval of the Committee, the Compensation, Governance and Nominating Committee and the Board.

4. Responsibilities

It is recognized that, in fulfilling their responsibilities, members of the Committee are not full-time employees of the Company. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to determine that the Company's financial statements are complete and accurate. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee shall have authority over, and shall be responsible for, the following specific matters:

4.1 Independent Auditor

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company.

- Establish the compensation of the independent auditor.

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[1] A person or company is considered to be a subsidiary of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary of a person or company that is the other's subsidiary.

[2] A person or company is considered to be an affiliated entity of a person or company if (a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company or (b) the person is an individual who (i) both a director and an employee of an affiliated entity, or (ii) an executive officer, general partner or managing member of an affiliated entity.

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- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.

- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.

- Pre-approve all audit and non-audit services (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).

- Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Company and any of its subsidiaries for any audit and permitted non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Appendix “A” to this Charter.

- at least annually, obtain and review a report by the auditor describing: (A) the auditor’s internal quality-control procedures, including the safeguarding of confidential information; and (B) any material issues raised by (i) the most recent internal quality control review or peer review of the auditor which relates to services provided to the Company or its subsidiaries by the auditor, or (ii) the review of the auditor by any independent oversight body, such as the Canadian Public Accountability Board or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor (but only where the results of such review have been made publicly available), and in the case of each of (i) and (ii), the steps taken to deal with any issues raised in any such review;

4.2 <u>The Audit Process, Financial Statements and Related Disclosure</u>

The Committee shall:

- Meet with senior management and/or the independent auditor to review and discuss:
  - the planning and staffing of the audit by the independent auditor;
  - before public disclosure, the Company’s annual audited financial statements and quarterly unaudited financial statements, the Company’s accompanying disclosure of Management’s Discussion and Analysis (“**MD&A**”) and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;
  - the adequacy of the procedures for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, other than the public disclosure referred to in the immediately preceding paragraph and

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periodically assess the adequacy of those procedures and consider whether they are complete and consistent with the information known to committee members;

– financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;

– any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company's financial statements;

– all critical accounting policies and practices used;

– all alternative treatments of financial information within GAAP or IFRS, as applicable, that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

– the use of "pro forma" or "adjusted" non-GAAP or non-IFRS information;

– the effect of new regulatory and accounting pronouncements

– the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Company's financial statements;

– any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;

– the adequacy of the Company's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and

– the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the Company's consolidated financial statements.

– In conducting its review of the financial statements and related management's discussion and analysis:

  ▪ consider the quality of, and not just the acceptability of, the accounting principles, and the reasonableness of senior management's judgments, analyses and estimates made in connection with the preparation of the financial statements or that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;

- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, and/or significant components of revenues and expenses;

- consider any proposed changes in accounting practices or policies and their impact on consolidated financial statements of the Company;

- discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters have been disclosed in the financial statements;

- discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee or other complaints or published reports that raise material issues regarding the Company's consolidated financial statements or accounting policies;

- discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;

- review the results of the audit, including any reservations or qualifications in the auditor's opinion;

- discuss with senior management all significant variances between comparative reporting periods;

- discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor which were not applied (because they were immaterial or otherwise) and significant disagreements with senior management and the method of resolution;

- discuss with the auditor any material issues relating to the Company's activities on which the Company's audit team consulted the auditor's national office;

- discuss with senior management and the auditor the appropriate disclosure of any transactions between the Company and its officers, directors, or other related parties; and

- consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.

- Review with the independent auditor:

  - the quality as well as the acceptability of the accounting principles that have been applied;

  - any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Company's response to that letter or communication; and

  - any changes to the Company's significant accounting principles and practices suggested by the independent auditor or members of management.

- Review with management all related party transactions and the development of policies and procedures related to those transactions.

- Following completion of the annual audit, review with each of management and the independent auditors any significant issues, concerns or difficulties encountered during the course of the audit including:

  - restrictions on the scope of work or on access to required or requested information;

  - issues or concerns that arose during the course of the audit concerning the Company's internal accounting controls, or the fair presentation, completeness or accuracy of the financial statements; and

  - analyses prepared by management or the auditors setting forth significant financial reporting issues and judgments made in connection with preparation of the financial statements (including analysis of the effects of alternative treatments under generally accepted accounting principles).

- Periodically review reports on the Company's information technology systems that support the financial reporting process.

- Receive and review reports from other Board committees with regard to matters that could affect the audit or results of operations.

- Oversee appropriate disclosure of the Charter, and other information required to be disclosed by applicable legislation in the Company's public disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Company's security holders.

4.3 Compliance

The Committee shall, as it determines appropriate:

- Obtain reports from senior management that the Company and its subsidiaries are in conformity with applicable legal requirements;

- Review with the Company's Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.

- Review senior management's written representations to the independent auditor.

- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's Code of Business Conduct and Ethics.

- Review with the Company's General Counsel and/or external legal counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

- Discuss with senior management the guidelines and policies utilized by senior management with respect to financial risk assessment and management, and the major financial risk exposures and the procedures to monitor and control such exposures in order to assist the Committee in assessing the completeness, adequacy and appropriateness of financial risk disclosure in Management's Discussion and Analysis and in the financial statements.

- Establish procedures for:

  – the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and

  – the confidential, anonymous submission by employees of the Company with concerns regarding any accounting or auditing matters.

- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and formal external auditor of the Company.

4.4 Delegation

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

5. Meetings

The Committee shall meet in accordance with a schedule established each year by the Committee, and at other times that the Committee may determine. Quorum for all meetings shall be a majority of the Committee members or such

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greater number as the Committee shall, by resolution, determine. Minutes shall be maintained of all meetings of the Committee and copies of the minutes shall be made available to all members of the Board.

The Committee shall meet separately, periodically, with the Chief Financial Officer and other financial management, and the independent auditor and may request any member of the Company's senior management, the General Counsel or external legal counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee.

Meeting agendas shall be developed by the Committee chair in consultation with the Company's management and the independent auditors. Committee members may propose agenda items through communication with the Chair of the Committee or the Chief Financial Officer. Agendas, together with appropriate briefing materials, shall be circulated to Committee members prior to meetings. At the discretion of the Committee, members of management and others may attend Committee meetings other than the separate sessions with the Chief Financial Officer, the independent auditor and General Counsel and/or external legal counsel.

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Company, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

6. Resources and Authority

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to engage and establish the compensation of, at the expense of the Company, outside advisors including experts in particular areas of accounting, legal counsel and other experts or consultants as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Committee will advise the Board of any such action taken.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the independent auditor as well as anyone in the Company.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- Review and assess the adequacy of its Charter (including with respect to the procedures regarding the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements) and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

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Appendix "A"

Qualifications, Performance and Independence of Independent Auditor

- Review the experience and qualifications of the senior members of the independent auditor's team.

- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.

- Review and approve clear policies for the hiring by the Company of employees or partners or former employees or former partners of the current and former independent auditor.

- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditor.

- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.

- Conduct an evaluation (taking into account the opinions of management) of the independent auditors qualification, performance and independence and present to the Board the Committee's conclusion in such regard.

- Review, as required, the independent auditors' plans with respect to the partner rotation.