



SIENNA SENIOR LIVING ANNOUNCES PROPOSED ACQUISITION OF TWO LUXURY RETIREMENT RESIDENCES IN ONTARIO AND \$100 MILLION BOUGHT DEAL PUBLIC OFFERING OF COMMON SHARES

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Sienna Senior Living Inc. (“**Sienna**” or the “**Company**”) (TSX:SIA) announced today that it has entered into an agreement to acquire (the “**Acquisition**”) two market leading, luxury retirement residences located in Barrie, Ontario and Kingston, Ontario (the “**Acquired Properties**”).

The Acquired Properties are recently developed luxury retirement living properties offering a range of lifestyle options and programs, including independent living, assisted living and memory care suites, allowing residents to gracefully age-in-place. The Acquired Properties are well located in attractive markets and consist of 384 private pay care suites.

The Acquisition continues to enhance the size and quality of Sienna's retirement portfolio and increases its exposure to the private pay market. On a pro forma basis, after giving effect to the contribution from the Acquired Properties and the recent acquisitions of Rosewood Retirement Residence and Kawartha Lakes Retirement Residence, Sienna's retirement portfolio will represent approximately 33% of Net Operating Income (“**NOI**”), up from approximately 27% in the second quarter of 2017.

“We are excited to add these excellent properties to our growing portfolio of high quality retirement residences. The Acquired Properties are leaders in their respective markets, that we expect will enhance our growth profile and drive long-term value creation for our shareholders,” said Lois Cormack, President and Chief Executive Officer of Sienna. “We are particularly excited about welcoming the experienced Waterford Retirement teams in Barrie and Kingston, and to add a proven memory care model, which extends the spectrum of service offering for residents.”

The aggregate purchase price for the Acquisition is approximately \$164 million, subject to customary adjustments (the “**Purchase Price**”) and represents an implied capitalization rate of approximately 6.0% on stabilized NOI as estimated by the Company. The Acquisition is expected to be accretive to Sienna's Operating Funds from Operations (“**OFFO**”) and Adjusted Funds from Operations (“**AFFO**”) per common share on a leverage neutral basis.

As one of the Acquired Properties is currently in the final stage of lease-up, the aggregate purchase price includes a revenue guarantee of \$1.0 million for a two-year term to be held in escrow and used by Sienna to complement cash flow from this residence.

Completion of the Acquisition is subject to customary closing conditions for transactions of this nature, including the receipt of third party (including lenders) consents and regulatory approvals. Sienna expects the completion of the Acquisition to occur in the fourth quarter of 2017.

DESCRIPTION OF THE ACQUIRED PROPERTIES

Waterford Retirement Residence Barrie

Waterford Retirement Residence Barrie, a 202-suite independent living, assisted living and memory care community, is centrally located on Edgehill Drive in Barrie, Ontario. The approximate 182,000 square foot, 6-storey building was originally opened in 2005 with 105 suites and expanded in December 2013 with the opening of 97 additional suites. The property offers a full range of services with 155 independent living, 31 assisted living and 16 memory care suites. Waterford Retirement Residence Barrie is currently 98% occupied and has maintained this occupancy on average over the last two years.

Waterford Retirement Residence Kingston

Waterford Retirement Residence Kingston, a 182-suite independent living, assisted living and memory care community, is located on Cataraqi Woods Drive in Kingston, Ontario. The approximate 210,000 square foot, 5-storey building was originally opened in 2009 with 91 suites and expanded in June 2016 with the opening of 91 additional suites. The property offers a full range of services with 142 independent living, 25 assisted living and 15 memory care suites. Waterford Retirement Residence Kingston is currently 80% occupied as a result of the recent expansion.

ACQUISITION FUNDING

Sienna intends to finance the Acquisition and related transaction costs through a combination of: (i) the assumption of approximately \$62 million in existing mortgages, at a weighted average interest rate of 3.6% and a weighted average term to maturity of 4.3 years; (ii) net proceeds of the Offering (as defined below); and the remainder through (iii) up-financing of the existing debt or draws on the Company's existing credit facilities. Following the closing of the Acquisition, the Company's Debt to Gross Book Value ratio is expected to remain unchanged at approximately 51%.

DESCRIPTION OF PUBLIC OFFERING

Sienna has entered into an agreement with a syndicate of underwriters (the "**Underwriters**") led by TD Securities Inc. and BMO Capital Markets, under which the Underwriters have agreed to buy, on a bought deal basis, 5,731,000 common shares of the Company (the "**Common Shares**") at a price of \$17.45 per Common Share (the "**Offering Price**") for gross proceeds of approximately \$100 million (the "**Offering**"). The Company has also granted the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 859,650 Common Shares at the Offering Price to cover over-allotments, if any, exercisable, in whole or in part, no later than 30 days after the closing of the Offering. If the Over-Allotment Option is exercised in full, the gross proceeds will be approximately \$115 million.

On or before October 20, 2017, the Company will file with the securities commissions or other similar regulatory authorities in each of the provinces and territories of Canada, a preliminary short form prospectus relating to the issuance of the Common Shares. The Offering is expected to close on or about

November 3, 2017, subject to normal regulatory approvals, including approval of the Toronto Stock Exchange.

The securities offered pursuant to the Offering have not and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

ABOUT SIENNA SENIOR LIVING INC.

Sienna Senior Living Inc. (TSX:SIA) is a leading seniors' living provider with 71 residences in key markets in Canada. Sienna offers a full range of seniors' living options, including independent and assisted living, long-term care, and specialized programs and services. Sienna also provides expert management services. Sienna is committed to national growth, while driving long-term value for shareholders. The company's more than 11,000 employees are passionate about helping residents live fully, every day. For more information, please visit www.siennaliving.ca.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking information based on management's current expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for Sienna. Forward-looking statements include: the Company's intention to complete the offering, successful closing of the Acquisition; the expected benefits of the Acquisition to Sienna shareholders, including that the Acquisition is anticipated to be accretive to the Company's OFFO and AFFO; expected future growth; the financing of the Acquisition through the assumption of existing debt, an up-financing of existing debt and a portion of the net proceeds of the Offering; the expected proportion of Sienna's NOI that will be represented by Sienna's retirement portfolio following the closing of the Acquisition; and the expected Debt to Gross Book Value ratio following the closing of the Acquisition. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements.

The forward-looking statements in this news release are based on information currently available and what management currently believes are reasonable assumptions, including the funding of long-term care facilities by government entities. Material factors or assumptions that were applied to drawing a conclusion or making an estimate set out in forward-looking statements include: the views of management of Sienna regarding current and anticipated market conditions; expected government priorities and spending; absence of material changes to government and environmental regulations affecting Sienna's operations; management's views as to demographic trends; Sienna's ability to maintain good relationships with unionized employees; the successful completion of the Acquisition and the financing thereof, and the financial and operating attributes of Sienna and the Acquired Properties as at the date hereof.

Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons. The assumptions, risks and uncertainties described above are not

exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of Sienna as at the date of this news release and speak only as at the date of this news release. Sienna does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

There can be no assurance that forward-looking information will prove to be accurate, as actual results could differ materially from those expected, estimated or implied by such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are more fully described under “Risk Factors” in the short form prospectus, in the "Risk Factors" section of Sienna’s most recent management’s discussion and analysis, and in materials filed with the securities regulatory authorities in Canada from time to time, including, but not limited to, the Company’s most recent annual information form.

NON-IFRS MEASURES

Certain terms used in this news release, such as OFFO, AFFO and NOI, are not measures defined under International Financial Reporting Standards (“**IFRS**”) and do not have standardized meanings prescribed by IFRS. OFFO, AFFO and NOI should not be construed as alternatives to “net income (loss)” or cash flow from operating activities determined in accordance with IFRS as indicators of the Company’s performance. The Company’s method of calculating OFFO, AFFO and NOI may differ from other issuers’ methods and accordingly, these measures may not be comparable to measures used by other issuers. The Company believes that NOI, OFFO and AFFO are useful in the assessment of its operating performance and that these measures are also useful for valuation purposes and are relevant and meaningful measures of its ability to earn and pay dividends on its Shares. The definitions of these non-IFRS measures and examples of reconciliations of NOI, OFFO and AFFO to the most directly comparable measure calculated in accordance with IFRS are provided in the Company’s most recent management’s discussion and analysis.

AVAILABILITY OF DOCUMENTS

Copies of related documents, such as the preliminary short form prospectus, underwriting agreement and marketing materials will be available on SEDAR (www.sedar.com) as part of the public filings of Sienna and on Sienna's website at www.siennaliving.ca.

FOR FURTHER INFORMATION PLEASE CONTACT:

Lois Cormack
President & Chief Executive Officer
(905) 415-7612
Lois.Cormack@siennaliving.ca

Nitin Jain
Chief Financial Officer and Chief Investment Officer
(905) 489-0787
Nitin.Jain@siennaliving.ca