NEWS RELEASE

Sabra Amends its Master Lease with Avamere Group

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IRVINE, Calif.--(BUSINESS WIRE)-- Sabra Health Care REIT, Inc. (“Sabra,” the “Company” or “we”) (Nasdaq: SBRA) announced today that it has entered into a definitive agreement to amend the Company’s master lease with its tenant, Avamere Group (“Avamere”).

Rick Matros, CEO and Chairman of Sabra, said, “Avamere is a highly respected operator that manages skilled nursing and seniors housing facilities as well as several ancillary companies that provide credit support to our lease through a corporate guaranty. The combination of tight rent coverage on our portfolio prior to the Covid pandemic coupled with the unprecedented challenges of the past two years on Avamere’s overall operations necessitates a restructuring of our master lease. Importantly, this restructuring provides valuable breathing room to Avamere, while preserving optionality for Sabra to participate in operating upside.”

In addition, Rick Miller, CEO of Avamere, said, “The pandemic has led to one of the most challenging periods in our history. At a time such as this, we appreciate our collaboration with Sabra as we have worked together to create a stronger and mutually beneficial relationship for the long term. Sabra is led by people who have deep operational expertise and understanding of our industry and the clients we serve. As we continue to operate in this new era, we are confident that our collaboration will continue to enhance Avamere’s position as a market leading, value enhancing, innovative provider of care and services to our patients and residents.”

Key Highlights:

- Effective February 1, 2022, Avamere’s annual base rent on the current portfolio has been reduced roughly 30% to $30.7 million from $44.1 million, representing an annual run rate reduction of $0.06 per diluted common share. The trailing 12-month EBITDARM coverage at this reduced rent would have been 1.99X as of September 30, 2021 (reported one quarter in arrears) and 1.60X based on pre-pandemic performance. No

changes have been made to the lease maturity date (May 31, 2031) or the annual base rent escalator (2.75%).

- Sabra has the opportunity to recapture this rent reduction as the portfolio's performance improves. Starting with the second lease year, Sabra will participate in the year-over-year improvement in the portfolio's operating revenues. Beginning in the fourth lease year and through the sixth lease year, Sabra has the one-time option to reset Avamere's rent to a fixed amount tied to the portfolio's historical performance.
- Avamere is expected to fund a security deposit of $7.7 million over the first 20 months of the newly amended lease.
- As a condition to amending this lease, Avamere has paid past due rent for December 2021 totaling $3.6 million and has agreed to pay January 2022 rent totaling $3.7 million by March 25, 2022.

About Sabra

Sabra Health Care REIT, Inc., a Maryland corporation, operates as a self-administered, self-managed real estate investment trust (a "REIT") that, through its subsidiaries, owns and invests in real estate serving the healthcare industry throughout the United States and Canada.

FORWARD-LOOKING STATEMENTS SAFE HARBOR

This release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified, without limitation, by the use of "expects," "believes," "intends," "should" or comparable terms or the negative thereof. Examples of forward-looking statements include our expectations regarding the definitive agreement with Avamere, including with respect to Avamere's ability to pay its lease obligations and fulfill its other obligations under this agreement.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following: the ongoing COVID-19 pandemic, including the risk of additional surges of COVID-19 infections due to the rate of public acceptance and efficacy of COVID-19 vaccines or to new and more contagious and/or vaccine resistant variants, and measures intended to prevent its spread, and the related impact on our tenants, operators and Senior Housing - Managed communities, including Avamere; the possibility that lease amendment contemplated by the definitive agreement will not be adequate for Avamere to mitigate its cash flow constraints and pay its lease obligations; our dependence on the operating success of our tenants; the potential variability of our reported rental and related revenues following the adoption of Accounting Standards Update ("ASU") 2016-02, Leases, as amended by subsequent ASUs, on January 1, 2019; operational risks with respect to our Senior Housing - Managed communities; the effect of our tenants declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; changes in healthcare regulation and political or economic conditions; the impact of required regulatory approvals of

transfers of healthcare properties; competitive conditions in our industry; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; the phasing out of the London Interbank Offered Rate ("LIBOR") benchmark beginning after 2021; our ability to raise capital through equity and debt financings; risks associated with our investment in the Enlivant Joint Venture; changes in foreign currency exchange rates; the relatively illiquid nature of real estate investments; the loss of key management personnel; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; the impact of a failure or security breach of information technology in our operations; our ability to maintain our status as a real estate investment trust ("REIT") under the federal tax laws; changes in tax laws and regulations affecting REITs (including the potential effects of the Tax Cuts and Jobs Act); compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT; and the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings with the Securities and Exchange Commission (the "SEC"), including in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, unless required by law to do so.

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Source: Sabra Health Care REIT, Inc.