NEWS RELEASE

Sabra Restructures its Contractual Relationship with Signature HealthCARE

2018-05-07

IRVINE, Calif., May 07, 2018 (GLOBE NEWSWIRE) -- Sabra Heath Care REIT, Inc. (Nasdaq:SBRA) (Nasdaq:SBRAP) ("Sabra", "we" or the "Company") announced today that it has entered into definitive agreements to restructure the Company's master leases with its tenant, Signature HealthCARE ("Signature"), including the provision to Signature of working capital in the form of a term loan.

Rick Matros, CEO and Chairman of Sabra, said, "As expected, we've completed the previously discussed restructuring with Signature, and our confidence in their management team and operating personnel remains strong. Also, we are grateful for the collaborative effort put forth by all stakeholders in the continued success of Signature – in particular, the principals and equity holders of Signature, Omega Healthcare Investors, Inc., and our attorneys who worked tirelessly to complete this restructuring."

Notable Elements of the Restructuring:

- Signature management remains intact and we believe they are committed to operate the restructured company going forward
- Signature obtained favorable accounts receivable financing terms, affording Signature increased availability of capital, reduced restrictions, enhanced flexibility, and an attractive borrowing rate
- Sabra has agreed to provide term loan financing of up to $12 million at a 7% interest rate for a period of 7 years to provide Signature with working capital in connection with its obligations under the Master Lease
- We have combined our existing master leases with Signature into a single master lease (the "Master Lease")

Key Highlights of the Master Lease:

- Eleven year term commencing May 7, 2018 with three 5-year extension options
- Cash rent of $35.0 million (net of estimated $15.0 million annual rent deferral) anticipated to result in normalized EBITDAR coverage of 1.30x
- Annual CPI-based rent escalators with minimum and maximum annual increases of 2.50% and 3.50%, respectively
- Opportunity to recapture deferred rent and possibly reset base rent provided that Signature first satisfies its financial obligations to certain of the parties referenced in the Update below
- Targeted disposition of up to four non-core assets, resulting in an estimated rent credit of $1.9 million based on projected net proceeds of $22.0 million

Update on Status of External Matters (the “Update”):

Signature has represented to us that:

- a formal settlement with certain federal and state agencies in connection with a civil investigation commenced in 2015 regarding therapy and other documentary practices is imminent;
- final settlement agreements have been executed with a significant percentage of outstanding medical malpractice claimants; and
- final payment terms have been reached with vendors representing a significant percentage of Signature’s currently outstanding accounts payable.

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

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 all statements regarding the anticipated effects of the restructuring with Signature (including anticipated lease coverage) and the targeted dispositions of assets.

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: our dependence on the operating success of our tenants; 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; the anticipated benefits of our merger with Care Capital Properties, Inc. (“CCP”) may not be realized; the anticipated and unanticipated costs, fees, expenses and liabilities related to our merger with CCP; our ability to implement the previously announced rent repositioning program for certain of our tenants who were legacy tenants of CCP on the timing or terms we have previously disclosed; our ability to dispose of facilities currently leased to Genesis Healthcare, Inc. (“Genesis”) on the timing or terms we have previously disclosed; the possibility that Sabra may not acquire the remaining majority interest in the Enlivant joint venture; risks associated with our investments in joint ventures; 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; our ability to raise capital through equity and debt financings; changes in foreign currency exchange rates; the relatively illiquid nature of real estate investments; the loss of key management personnel or other employees; 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"); 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 anti-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, including Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017. 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 supplement or to reflect the occurrence of unanticipated events, unless required by law to do so.

CONTACT:

Source: Sabra Health Care REIT, Inc.