NEWS RELEASE

Sabra and Sienna Senior Living Deepen Relationship with Pending Portfolio Acquisition

2022-02-03

IRVINE, Calif.--(BUSINESS WIRE)-- Sabra Health Care REIT, Inc. (“Sabra,” the “Company” or “we”) (Nasdaq: SBRA) announced today that, subject to certain closing conditions, the Company along with Sienna Senior Living (“Sienna”) (TSX: SIA) have agreed to acquire a high-quality Canadian senior housing portfolio for total consideration of C$307.5 million (USD $243 million).

Sabra and Sienna have announced the pending acquisition of a portfolio of 11 high-quality senior housing communities strategically positioned across the provinces of Ontario and Saskatchewan, which will be acquired through a newly formed 50/50 joint venture. The predominantly independent living portfolio consists of mostly newer construction with an average age of six years, which positions it well to capture demand growth across the senior housing industry as Canada’s 75+ population is expected to double over the next 20 years. Importantly, this transaction will also deepen the strategic relationship between Sabra and Sienna. Sienna is a world-class owner/operator of senior housing and long-term care communities that currently manages eight Canadian independent living communities that are wholly owned by Sabra.

Talya Nevo-Hacohen, CIO of Sabra, said, “We have had a longstanding relationship with the Sienna team and after evaluating several investments over the years we are pleased to deepen our strategic relationship through the pending acquisition of a high-quality senior housing portfolio with substantial scale. The combination of Sabra and Sienna’s asset management and operating skillsets allow us the opportunity to improve performance and create value with this attractive portfolio.”

Transaction Highlights

- Total purchase price of C$307.5 million (USD $243 million), with Sabra’s commitment equating to

approximately C$154 million (USD $121 million).

- Sabra and Sienna will acquire the 1,048 unit portfolio through a newly formed 50/50 joint venture, with Sienna to operate the portfolio.
- The per unit basis of this portfolio is approximately C$295,000 (USD $230,000), which is below replacement cost and attractive amidst a backdrop of escalating construction costs.
- Excluding one recently constructed community in lease-up, the portfolio includes ten communities with 936 units and an estimated value of C$275 million (USD $217 million). Year-to-date as of September 30, 2021, average occupancy for these ten communities was approximately 90%. These communities are expected to have a year-one yield of roughly 6%. The lease-up community was opened in 2019 and has 112 units. Upon stabilization, this community is expected to generate a yield higher than 6%.
- The portfolio also has embedded incremental value-creation potential through expansion opportunities for an additional 233 units.
- The transaction is expected to close upon receipt of regulatory approvals, which is anticipated to occur in the first half of 2022.
- Sabra will fund its portion of the acquisition using cash on hand and proceeds from in-process capital recycling activity, which will keep leverage in line with the long-term target of 5.0x net debt to adjusted EBITDA.

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 all statements regarding our expectations for the pending portfolio acquisition in a joint venture with Sienna, including with respect to the ability of the portfolio to capture demand growth in Canada’s senior housing industry, our ability to improve performance and create value in the portfolio, the anticipated timing for the closing of the pending portfolio acquisition, and the impact of the pending portfolio acquisition on our leverage.

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; our ability to consummate the pending portfolio acquisition on the terms and timing described in this press release or at all; 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.

Investor & Media Inquiries: 1-888-393-8248 or **investorinquiries@sabrahealth.com**

Source: Sabra Health Care REIT, Inc.