

(Mark One)

For the quarterly period ended June 30, 2025

OR

For the transition period from _____ to _____

Commission file number: 1-13445



(Exact Name of Registrant as Specified in its Charter)

Delaware

75-2678809

**(State or Other Jurisdiction of
Incorporation or Organization)**

(I.R.S. Employer
Identification No.)

14755 Preston Road, Suite 810, Dallas, Texas

75254

(Address of principal executive offices)

(Zip code)

(972) 770-5600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	..	Accelerated filer	x
Non-accelerated filer	..	Smaller reporting company	x
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 7, 2025, the Registrant had 18,823,108 shares of common stock outstanding.

Sonida Senior Living, Inc.
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Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this Quarterly Report on Form 10-Q of Sonida Senior Living, Inc. (together with its consolidated subsidiaries, “Sonida,” “we,” “our,” “us,” or the “Company”) constitutes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this Quarterly Report on Form 10-Q, including, without limitation, those relating to the Company’s future business prospects and strategies, financial results, working capital, liquidity, capital needs and expenditures, interest costs, insurance availability and contingent liabilities, are forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “would,” “intend,” “could,” “believe,” “expect,” “anticipate,” “project,” “plans,” “estimate” or “continue” or the negatives thereof or other variations thereon or comparable terminology.

Forward-looking statements are subject to certain risks and uncertainties that could cause the Company’s actual results and financial condition to differ materially from those indicated in the forward-looking statements, including, among others, the risks, uncertainties and factors set forth under “Item. 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the “SEC”) on March 17, 2025, as well as [“Item. 1A. Risk Factors”](#) in this Quarterly Report on Form 10-Q, and also include the following:

- the Company’s ability to generate sufficient cash flows from operations, proceeds from equity issuances and debt financings, and proceeds from the sale of assets to satisfy its short- and long-term debt obligations and to fund the Company’s acquisitions and capital improvement projects to expand, redevelop, and/or reposition its senior living communities;
- elevated market interest rates that increase the cost of certain of our debt obligations;
- increased competition for, or a shortage of, skilled workers, including due to general labor market conditions, along with wage pressures resulting from such increased competition, low unemployment levels, use of contract labor, minimum wage increases and/or changes in immigration and overtime laws;
- the Company’s ability to obtain additional capital on terms acceptable to it;
- the Company’s ability to extend or refinance its existing debt as such debt matures;
- the Company’s compliance with its debt agreements, including certain financial covenants, and the risk of cross-default in the event such non-compliance occurs;
- the Company’s ability to complete acquisitions and dispositions upon favorable terms or at all, including the possibility that the expected benefits and the Company’s projections related to such acquisitions may not materialize as expected;
- the risk of oversupply and increased competition in the markets which the Company operates;
- the Company’s ability to improve and maintain internal controls over financial reporting and remediate the identified material weakness discussed in [Item 4](#) of Part I of this Quarterly Report on Form 10-Q;
- the cost and difficulty of complying with applicable licensure, legislative oversight, or regulatory changes;
- changes in reimbursement rates, methods or timing of payment under government reimbursement programs, including Medicaid;
- risks associated with current global economic conditions and general economic factors such as elevated labor costs due to shortages of medical and non-medical staff, competition in the labor market, increased costs of salaries, wages and benefits, and immigration laws, the consumer price index, commodity costs, fuel and other energy costs, supply chain disruptions, increased insurance costs, tariffs, elevated interest rates, and tax rates;
- the impact from or the potential emergence and effects of a future epidemic, pandemic, outbreak of infectious disease or other health crisis;
- the Company’s ability to maintain the security and functionality of its information systems, to prevent a cybersecurity attack or breach, and to comply with applicable privacy and consumer protection laws, including HIPAA; and
- changes in accounting principles and interpretations.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or outcomes that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. All forward-looking statements in this Quarterly Report on Form 10-Q apply only as of the date

made and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q. Except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

Sonida Senior Living, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except per share amounts)

	June 30, 2025	December 31, 2024
	(unaudited)	
Assets:		
Current assets		
Cash and cash equivalents	\$ 14,053	\$ 16,992
Restricted cash	19,644	22,095
Accounts receivable, net of allowance for credit losses of \$8.8 million and \$7.9 million, respectively	23,153	18,965
Prepaid expenses and other assets	5,917	4,634
Derivative assets	684	1,403
Total current assets	63,451	64,089
Property and equipment, net	750,261	739,884
Investment in unconsolidated entity	9,839	10,943
Intangible assets, net	23,573	24,526
Other assets, net	2,648	2,479
Total assets ^(a)	\$ 849,772	\$ 841,921
Liabilities:		
Current liabilities		
Accounts payable	\$ 6,533	\$ 9,031
Accrued expenses	43,077	45,024
Current portion of debt, net of deferred loan costs	17,724	15,486
Deferred income	6,631	5,361
Federal and state income taxes payable	130	243
Other current liabilities	488	470
Total current liabilities	74,583	75,615
Long-term debt, net of deferred loan costs	660,163	635,904
Other long-term liabilities	1,260	793
Total liabilities ^(a)	736,006	712,312
Commitments and contingencies (Note 12)		
Redeemable preferred stock:		
Series A convertible preferred stock, \$0.01 par value; 41 shares authorized, 41 shares issued and outstanding as of June 30, 2025 and December 31, 2024	51,249	51,249
Equity:		
Sonida's shareholders' equity:		
Preferred stock, \$0.01 par value:		
Authorized shares - 15,000 as of June 30, 2025 and December 31, 2024; none issued or outstanding, except Series A convertible preferred stock as noted above	—	—
Common stock, \$0.01 par value:		
Authorized shares - 30,000 as of June 30, 2025 and December 31, 2024; 18,863 and 18,992 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	189	190
Additional paid-in capital	490,820	491,819
Retained deficit	(434,316)	(420,224)
Total Sonida shareholders' equity	56,693	71,785
Noncontrolling interest:	5,824	6,575
Total equity	62,517	78,360
Total liabilities, redeemable preferred stock and equity	\$ 849,772	\$ 841,921

(a) The condensed consolidated balance sheets include the following amounts related to our consolidated Variable Interest Entity (VIE): \$2.3 million and \$5.0 million of Cash and cash equivalents; \$1.9 million and \$1.5 million of Restricted cash; \$0.3 million and \$0.3 million of Accounts receivable, net; and \$28.0 million and \$27.8 million of Property and equipment, net; \$3.7 million and \$4.7 million of Intangible assets, net; \$2.4 million and \$5.4 million of Accounts payable; \$0.8 million and \$0.9 million of Accrued expenses; \$0.3 million and \$0.2 million of Deferred income; \$21.3 million and \$21.3 million of Debt, net of deferred loan costs; and \$0.2 million and \$0.2 million of Other long-term liabilities as of June 30, 2025 and December 31, 2024, respectively.

See Notes to Condensed Consolidated Financial Statements.

Sonida Senior Living, Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenues:				
Resident revenue	\$ 81,845	\$ 63,108	\$ 161,100	\$ 123,845
Management fees	1,134	720	2,195	1,314
Managed community reimbursement revenue	10,546	6,379	22,153	12,486
Total revenues	93,525	70,207	185,448	137,645
Expenses:				
Operating expense	61,420	45,981	121,834	92,298
General and administrative expense	9,729	8,713	18,201	15,525
Transaction, transition and restructuring costs	461	465	1,071	864
Depreciation and amortization expense	13,646	10,067	27,332	20,002
Managed community reimbursement expense	10,546	6,379	22,153	12,486
Total expenses	95,802	71,605	190,591	141,175
Other income (expense):				
Interest income	986	387	1,228	526
Interest expense	(9,271)	(8,964)	(18,717)	(17,555)
Gain on extinguishment of debt, net	—	—	—	38,148
Loss from equity method investment	(383)	(35)	(713)	(35)
Other income (expense), net	9,063	253	8,513	(226)
Income (loss) before provision for income taxes	(1,882)	(9,757)	(14,832)	17,328
Provision for income taxes	(91)	(59)	(166)	(125)
Net income (loss)	(1,973)	(9,816)	(14,998)	17,203
Less: Net loss attributable to noncontrolling interests	410	—	906	—
Net income (loss) attributable to Sonida shareholders	(1,563)	(9,816)	(14,092)	17,203
Dividends on Series A convertible preferred stock	(1,409)	—	(2,818)	—
Undeclared dividends on Series A convertible preferred stock	—	(1,372)	—	(2,707)
Undistributed net income allocated to participating securities	—	—	—	(1,425)
Net income (loss) attributable to common shareholders	\$ (2,972)	\$ (11,188)	\$ (16,910)	\$ 13,071
Weighted average common shares outstanding — basic	18,093	13,014	18,070	11,438
Weighted average common shares outstanding — diluted	18,093	13,014	18,070	12,143
Basic net income (loss) per common share	\$ (0.16)	\$ (0.86)	\$ (0.94)	\$ 1.14
Diluted net income (loss) per common share	\$ (0.16)	\$ (0.86)	\$ (0.94)	\$ 1.08

See Notes to Condensed Consolidated Financial Statements.

Sonida Senior Living, Inc.
Condensed Consolidated Statements of Changes in Equity (Deficit) (Unaudited)
(in thousands)

	Sonida's Shareholders					
	Common Stock		Additional Paid-In Capital	Retained Deficit	Noncontrolling Interests	Total
	Shares	Amount				
Balance as of December 31, 2023	8,178	\$ 82	\$ 302,992	\$ (418,165)	\$ —	\$ (115,091)
Issuance of common stock, net of issuance costs	5,026	50	47,591	—	—	47,641
Undeclared dividends on Series A convertible preferred stock	—	—	(1,335)	—	—	(1,335)
Stock-based plan activity	(7)	—	(213)	—	—	(213)
Non-cash stock-based compensation	—	—	575	—	—	575
Net income	—	—	—	27,019	—	27,019
Balance as of March 31, 2024	13,197	132	349,610	(391,146)	\$ —	(41,404)
Issuance of common stock, net of issuance costs	616	6	17,432	—	—	17,438
Undeclared dividends on Series A convertible preferred stock	—	—	(1,372)	—	—	(1,372)
Stock-based plan activity	377	4	(171)	—	—	(167)
Non-cash stock-based compensation	—	—	1,211	—	—	1,211
Net loss	—	—	—	(9,816)	—	(9,816)
Balance as of June 30, 2024	14,190	\$ 142	\$ 366,710	\$ (400,962)	\$ —	\$ (34,110)

	Sonida's Shareholders					
	Common Stock		Additional Paid-In Capital	Retained Deficit	Noncontrolling Interests	Total
	Shares	Amount				
Balance as of December 31, 2024	18,992	\$ 190	\$ 491,819	\$ (420,224)	\$ 6,575	\$ 78,360
Capital distributions to noncontrolling interest	—	—	—	—	(132)	(132)
Series A convertible preferred stock dividends	—	—	(1,409)	—	—	(1,409)
Stock-based plan activity	(114)	(1)	(49)	—	—	(50)
Non-cash stock-based compensation	—	—	973	—	—	973
Net loss	—	—	—	(12,529)	(496)	(13,025)
Balance as of March 31, 2025	18,878	189	491,334	(432,753)	5,947	64,717
Capital contributions from noncontrolling interest	—	—	—	—	287	287
Series A convertible preferred stock dividends	—	—	(1,409)	—	—	(1,409)
Stock-based plan activity	(15)	—	(331)	—	—	(331)
Non-cash stock-based compensation	—	—	1,226	—	—	1,226
Net loss	—	—	—	(1,563)	(410)	(1,973)
Balance as of June 30, 2025	18,863	\$ 189	\$ 490,820	\$ (434,316)	\$ 5,824	\$ 62,517

See Notes to Condensed Consolidated Financial Statements.

Sonida Senior Living, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ (14,998)	\$ 17,203
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	27,332	20,002
Amortization of deferred loan costs	844	722
Gain on sale of assets, net	—	(192)
Loss on derivative instruments, net	781	1,606
Gain on extinguishment of debt, net	—	(38,148)
Loss from equity method investment	713	35
Provision for credit losses	1,440	881
Non-cash stock-based compensation expense	2,199	1,786
Other non-cash items	364	(3)
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,628)	(2,008)
Prepaid expenses	2,010	(756)
Other assets, net	(16)	(199)
Accounts payable and accrued expenses	(3,265)	(2,791)
Federal and state income taxes payable	(113)	(122)
Deferred income	1,270	315
Customer deposits	(178)	45
Net cash provided by (used in) operating activities	12,755	(1,624)
Cash flows from investing activities:		
Investments in unconsolidated entities	—	(22,342)
Return of investment in unconsolidated entity	392	—
Acquisition of new communities	(22,533)	(11,105)
Capital expenditures	(15,330)	(9,899)
Proceeds from sale of assets	—	631
Net cash used in investing activities	(37,471)	(42,715)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of issuance costs	—	65,079
Proceeds from notes payable	9,000	36,648
Repayments of notes payable	(1,567)	(48,475)
Proceeds from credit facility	20,000	—
Repayment of credit facility	(5,000)	—
Capital contributions from noncontrolling investors in joint ventures	287	—
Distributions to noncontrolling investors in joint ventures	(132)	—
Purchase of derivative assets	—	(1,851)
Dividends paid on Series A convertible preferred stock	(2,818)	—
Deferred loan costs paid	(62)	(633)
Other financing costs	(382)	(396)
Net cash provided by financing activities	19,326	50,372
Increase (decrease) in cash and cash equivalents and restricted cash	(5,390)	6,033
Cash, cash equivalents, and restricted cash at beginning of period	39,087	17,750
Cash, cash equivalents, and restricted cash at end of period	\$ 33,697	\$ 23,783
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for:		
Interest	\$ 17,883	\$ 14,016
Income taxes paid, net	\$ 267	\$ 237
Non-cash investing and financing activities:		
Undeclared dividends on Series A convertible preferred stock	\$ —	\$ 2,707
Insurance financed through insurance notes payable	\$ 3,293	\$ —
Non-cash additions of property and equipment	\$ 1,180	\$ 1,831
Non-cash right-of-use assets	\$ 643	\$ —

See Notes to Condensed Consolidated Financial Statements.

Sonida Senior Living, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

Organization and Business

Sonida Senior Living, Inc., a Delaware corporation (together with its subsidiaries, the “Company,” “we,” “our,” “us,” or “Sonida”), is a leading owner, operator and investor in independent living, assisted living and memory care communities and services for senior adults in the United States in terms of resident capacity. The Company owns, operates, manages and invests in senior housing communities throughout the United States. As of June 30, 2025, the Company owned, managed or invested in 96 senior housing communities in 20 states with an aggregate capacity of approximately 10,150 residents¹, including 83 owned senior housing communities (including four owned through joint venture investments in consolidated entities, four owned through a joint venture investment in an unconsolidated entity, and one unoccupied) and 13 communities that the Company manages on behalf of a third-party.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the financial statements of Sonida Senior Living, Inc., its wholly-owned subsidiaries, and other entities in which the Company has a controlling financial interest. All material intercompany balances and transactions have been eliminated in consolidation. The Company reports investments in unconsolidated entities whose operating and financial policies it has the ability to exercise significant influence under the equity method of accounting.

The Company evaluates its potential variable interest entity (“VIE”) relationships under certain criteria as provided for in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, *Consolidation* (“ASC 810”). ASC 810 broadly defines a VIE as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity’s activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. The Company performs this evaluation on an ongoing basis and consolidates any VIEs for which the Company is determined to be the primary beneficiary, as determined by the Company’s power to direct the VIEs activities and the obligation to absorb its losses or the right to receive its benefits, which are potentially significant to the VIE. As of June 30, 2025, the Company has a joint venture, Stone JV LLC (“Stone JV”), which is treated as an unconsolidated entity. See “[Note 3—Investments and Acquisitions](#).”

As of June 30, 2025, the Company was a 51% owner in two joint ventures (collectively, the “Palatine JVs”) with affiliates of Palatine Capital Partners. The Company has evaluated its investment in the Palatine JVs under ASC 810. The Company has determined that it has the power to direct the activities of the VIE that most significantly impact its economic performance and is the primary beneficiary of the VIE in accordance with ASC 810. Accordingly, the Company has consolidated the activity of the Palatine JVs into its consolidated financial statements for the periods ended June 30, 2025 and December 31, 2024.

Interim Unaudited Financial Information

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted from this Quarterly Report on Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The results for the interim periods shown in this report are not necessarily indicative of future financial results. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, including normal recurring items, necessary to present fairly our condensed consolidated financial position as of June 30, 2025 and December 31, 2024, and our condensed consolidated results of operations and cash flows for the periods ended June 30, 2025 and 2024.

¹ Capacity disclosures in these footnotes to the condensed consolidated financial statements are outside the scope of our independent registered accounting firm’s review.

Reclassifications

Certain amounts previously reflected in the prior year condensed consolidated financial statements have been reclassified to conform to our June 30, 2025 presentation. The condensed consolidated statements of operations as of June 30, 2024 reflects reclassifying transaction, transition and restructuring costs from “General and administrative expense” to “Transaction, transition and restructuring costs.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. These estimates include such items related to the accounting for: income taxes, including assessments of probabilities of realization of income tax benefits; other contingencies; allowances for uncollectible accounts receivable; impairment of long-lived assets, including applicable cash flow projections, holding periods and fair value evaluations; stock-based compensation; fair values of assets and liabilities acquired in asset acquisitions, fair values of our equity method investments; and depreciation and amortization, including determination of estimated useful lives. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents. The Company has deposits in banks that exceed Federal Deposit Insurance Corporation insurance limits. Management believes that credit risk related to these deposits is minimal. Restricted cash consists of reserve accounts for property insurance, real estate taxes, capital expenditures, derivatives, and debt service required by certain loan agreements. In addition, restricted cash includes escrowed deposits and deposits required by certain counterparties as collateral pursuant to letters of credit which must remain so long as the letters of credit are outstanding, which are subject to renewal annually.

The following table sets forth our cash, cash equivalents, and restricted cash (in thousands):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 14,053	\$ 16,992
Restricted cash:		
Property tax and insurance reserves	5,329	6,156
Lender reserves	3,521	6,013
Capital expenditures reserves	6,754	6,210
Escrow deposit	325	—
Deposits pursuant to outstanding letters of credit	3,524	3,524
Other reserves	191	192
Total restricted cash	19,644	22,095
Total cash, cash equivalents, and restricted cash	\$ 33,697	\$ 39,087

Long-Lived Assets

Property and equipment are stated at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. At each balance sheet date, the Company reviews the carrying value of its property and equipment to determine if facts and circumstances suggest that they may be impaired or that the depreciation period may need to be changed. The Company considers internal factors such as net operating losses along with external factors relating to each asset, including contract changes, local market developments, and other publicly available information to determine whether impairment indicators exist.

If an indicator of impairment is identified, recoverability of an asset group is assessed by comparing its carrying amount to the estimated future undiscounted net cash flows expected to be generated by the asset group through operation or disposition, calculated utilizing the lowest level of identifiable cash flows. If this comparison indicates that the carrying amount of an asset group is not recoverable, the Company estimates fair value of the asset group and records an impairment loss when the carrying amount exceeds fair value. There were no impairments on long-lived assets during the six months ended June 30, 2025 and June 30, 2024.

In evaluating our long-lived assets for impairment, we undergo continuous evaluations of property-level performance and real estate trends, and management makes several estimates and assumptions, including, but not limited to, the projected date of

disposition, estimated sales price, and future cash flows of each property during our estimated holding period. If our analysis or assumptions regarding the projected cash flows expected to result from the use and eventual disposition of our properties change, we incur additional costs and expenses during the holding period, or our expected hold periods change, we may incur future impairment losses. See “[Note 4–Property and Equipment, net.](#)”

Leases

We determine if a contract contains a lease at its inception based on whether or not the Company has the right to control the asset during the contract period and other facts and circumstances. We are the lessee in a lease contract when we obtain the right to control the asset. Operating lease right-of-use (“ROU”) assets represent our right to use an underlying asset for the lease term and are included in other assets, net in our condensed consolidated balance sheet. Operating lease liabilities represent our obligation to make lease payments arising from the lease and are included in other current liabilities and other long-term liabilities in our condensed consolidated balance sheet. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. When determining the lease term, we include renewal or termination options that we are reasonably certain to exercise. Leases with a lease term of 12 months or less at inception are not recorded in our condensed consolidated balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term in our condensed consolidated statement of operations. As the rates implicit in our leases are not readily determinable, we use our local incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. When our contracts contain lease and non-lease components, we account for both components as a single lease component.

Acquisitions

We make certain judgments to determine whether a transaction should be accounted for as a business combination or an asset acquisition. These judgments include the assessment of the inputs, processes, and outputs associated with an acquired set of activities and whether the fair value of total assets acquired is concentrated to a single identifiable asset or group of similar assets. We account for a transaction as a business combination when the assets acquired include inputs and one or more substantive processes that, together, significantly contribute to the ability to create outputs and the total fair value of the assets acquired are not concentrated to a single identifiable asset or group of similar assets. Otherwise, we account for the transaction as an asset acquisition.

Upon the acquisition of new communities accounted for as an acquisition of assets, we recognize the assets acquired and the liabilities assumed as of the acquisition date, measured at their relative fair values using Level 3 inputs at the date of acquisition including estimates of appropriate discount rates and capitalization rate once we have determined the fair value of each of these assets and liabilities. Relative fair values may be based on appraisals, internal analyses of recently acquired and existing comparable properties in the Company’s portfolio, other market data, and internal marketing and leasing activities. The acquisition date is the date on which we obtain control of the real estate property. The assets acquired and liabilities assumed consist of land, inclusive of associated rights, buildings, assumed debt, and identified intangible assets and liabilities. Above-market and below-market in-place lease values of acquired properties are recorded based on the net present value of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) Sonida’s estimate of the fair market lease rates for the corresponding in-place lease measured over a period equal to the remaining non-cancelable terms of the leases (including the below-market fixed-rate renewal period, if applicable). Favorable above-market in-place leases represent the value of the contractual monthly rental payments that are more than the current market rent at communities as acquired in recent acquisitions. Favorable above-market in-place leases are amortized to depreciation and amortization expense on a straight-line basis over their estimated remaining lease terms and are included in intangible assets, net on the accompanying condensed consolidated balance sheets. Unfavorable below-market in-place leases represent the value of the contractual monthly rental payments that are less than the current market rent at communities as acquired in recent acquisitions. Unfavorable below-market in-place leases are amortized to depreciation and amortization expense on a straight-line basis over their estimated remaining lease terms and are included in other long-term liabilities on the accompanying condensed consolidated balance sheets.

Investment in Unconsolidated Entities

The Company reports investments in unconsolidated entities that it has the ability to exercise significant influence under the equity method of accounting. The initial carrying amount of investments in unconsolidated entities is based on the amount paid to purchase the investment. The Company’s reported share of earnings from an unconsolidated entity is adjusted for the impact, if any, of basis differences between its carrying amount of the equity investment and its share of the investment’s underlying assets. Distributions received from an investee are recognized as a reduction in the carrying amount of the investment.

The Company evaluates the realization of its investments in ventures accounted for using the equity method if circumstances indicate that the Company’s investments are other than temporarily impaired. A current fair value of an investment that is less

than its carrying amount may indicate a loss in value of the investment. If the Company determines that an equity method investment is other than temporarily impaired, it is recorded at its fair value with an impairment charge recognized for the difference between its carrying amount and fair value.

Revenue Recognition

Resident revenue consists of fees for basic housing and certain support services and fees associated with additional housing and expanded support requirements such as assisted living care, memory care, and ancillary services. Basic housing and certain support services revenue is recorded when services are rendered, and amounts billed are due from residents in the period in which the rental and other services are provided. Residency agreements are generally short term in nature with durations of one year or less and are typically terminable by either party, under certain circumstances, upon providing 30 days' notice, unless state law provides otherwise, with resident fees billed monthly in advance. Revenue for certain ancillary services is recognized as services are provided, and includes fees for services such as medication management, daily living activities, beautician/barber, laundry, television, guest meals, pets, and parking, which are generally billed monthly in arrears.

The Company's senior housing communities have residency agreements that generally require the resident to pay a community fee and other amounts prior to moving into the community, which are initially recorded by the Company as deferred revenue. Community fees are recognized evenly over the term of the residency agreements, which is generally 12 months. The Company had contract liabilities for deferred fees paid by our residents prior to the month housing and support services were to be provided totaling \$6.6 million and \$5.4 million, respectively, which is reported as deferred income within current liabilities of the Company's condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024. As of June 30, 2025, \$5.2 million of deferred revenue has been recognized from the year ended December 31, 2024. As of June 30, 2024, \$3.9 million of deferred revenue was recognized from the year ended December 31, 2023.

Revenues from Medicaid programs accounted for 7.8% and 11.1% of the Company's revenue for the three months ended June 30, 2025 and 2024, respectively. Revenues from the Medicaid program accounted for approximately 8.1% and 11.3% of the Company's revenue for the six months ended June 30, 2025 and 2024, respectively. Resident revenues for Medicaid residents were recorded at the reimbursement rates as the rates were set prospectively by the applicable state upon the filing of an annual cost report.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on its condensed consolidated financial statements. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid program.

The Company has management agreements whereby it manages certain communities on behalf of third-party owners and certain community investments under contracts that provide for periodic management fee payments to the Company. The Company has determined that all community management activities are a single performance obligation, which is satisfied over time as the services are rendered. Such revenue is included in "management fees" on the Company's condensed consolidated statements of operations. The Company is also reimbursed by the owners of the communities for costs incurred. Such revenue is included in "managed community reimbursement revenue" on the Company's condensed consolidated statements of operations. The related costs are included in "managed community reimbursement expense" on the Company's condensed consolidated statements of operations. See ["Note 9-Revenue."](#)

Credit Risk and Allowance for Credit Losses

The Company's resident accounts receivable are generally due within 30 days after the date billed. Accounts receivable are reported net of an allowance for credit losses of \$8.8 million and \$7.9 million as of June 30, 2025 and December 31, 2024, respectively, and represent the Company's estimate of the amount that ultimately will be collected. The adequacy of the Company's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, as well as a review of specific accounts, and adjustments are made to the allowance, as necessary. Credit losses on resident receivables have historically been within management's estimates, and management believes that the allowance for credit losses adequately provides for expected losses.

Concentration of Credit Risk and Business Risk

Substantially all of our revenues are derived from senior living communities we own and senior living communities that we manage. Senior living operations are particularly sensitive to adverse economic, social and competitive conditions and trends, including the effects of pandemics, which have previously adversely affected our business, financial condition, and results of operations.

We have a concentration of owned properties operating in Texas (19), Indiana (12), Ohio (12), and Florida (8) which represented approximately 22%, 13%, 18%, and 10% respectively, of our resident revenues for the three months ended June 30, 2025 and approximately 22%, 13%, 18%, and 9%, respectively, of our resident revenues for the six months ended June 30, 2025.

We had a concentration of owned properties operating in Texas (16), Indiana (12), Ohio (11) and Wisconsin (8), which represented approximately 23%, 18%, 21%, and 10% respectively, of our resident revenues for the three months ended June 30, 2024 and approximately 23%, 18%, 20%, and 10%, respectively, of our resident revenues for the six months ended June 30, 2024.

Income Taxes

Income taxes are computed using the asset and liability method and current income taxes are recorded based on amounts refundable or payable in the current year. The effective tax rates for the three and six months ended June 30, 2025 and 2024 differ from the statutory tax rates due to state income taxes, permanent tax differences, and changes in the deferred tax asset valuation allowance.

Deferred income taxes are recorded based on the estimated future tax effects of loss carryforwards and temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income in the years in which the Company expects those carryforwards and temporary differences to be recovered or settled. Management regularly evaluates the future realization of deferred tax assets and provides a valuation allowance, if considered necessary, based on such evaluation. As part of the evaluation, management has evaluated taxable income in carryback years, future reversals of taxable temporary differences, feasible tax planning strategies, and future expectations of income. The valuation allowance reduces the Company's net deferred tax assets to the amount that is "more likely than not" (i.e., a greater than 50% likelihood) to be realized. The Company has a full valuation allowance on deferred tax assets. However, in the event the Company were to ultimately determine that it would be more likely than not that the Company would realize the benefit of deferred tax assets in the future in excess of their net recorded amounts, adjustments to deferred tax assets would increase net income in the period such determination was made. The benefits of the net deferred tax assets might not be realized if actual results differ from expectations.

The Company evaluates uncertain tax positions through consideration of accounting and reporting guidance on criteria, measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different companies. The Company is required to recognize a tax benefit in its financial statements for an uncertain tax position only if management's assessment is that its position is "more likely than not" (i.e., a greater than 50% likelihood) to be upheld on audit based only on the technical merits of the tax position. The Company's policy is to recognize interest related to unrecognized tax benefits as interest expense and penalties as income tax expense.

Employee Retention Credits

The Company filed for employee retention credits ("ERC") with the Internal Revenue Service in November 2023. The ERC is a tax credit for businesses that had certain employee costs and were effected by the coronavirus pandemic under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. During the three months ended June 30, 2025, the Department of Treasury notified the Company of ERC credits awarded under the CARES Act. The Company elected to account for the ERC as a gain analogizing to ASC 450-30, *Gain Contingencies*. The Company recognized gross ERC credits received of \$8.8 million as other income on the accompanying condensed consolidated statement of operations for three months ended June 30, 2025.

Redeemable Preferred Stock

The Company's Series A Preferred Stock is convertible outside of our control and is classified as mezzanine equity. The Series A Preferred Stock was initially recorded at fair value upon issuance, net of issuance costs and discounts. The holders of our Series A Preferred Stock are affiliates of Conversant Capital LLC, (together, the "Conversant Preferred Investors") and are entitled to vote with the holders of common stock on all matters submitted to a vote of stockholders of the Company. As such, the Conversant Preferred Investors, in combination with the common stock owned by them and their affiliates as of June 30, 2025 and December 31, 2024, have voting rights in excess of 50% of the Company's total voting stock. It is deemed probable that the Series A Preferred Stock could be redeemed for cash by the Conversant Preferred Investors, and as such, the Series A Preferred Stock is required to be remeasured and adjusted to its maximum redemption value at the end of each reporting period. However, to the extent that the maximum redemption value of the Series A Preferred Stock does not exceed the fair value of the shares at the date of issuance, the shares are not adjusted below the fair value at the date of issuance. As of June 30, 2025 and

December 31, 2024, the Series A Preferred Stock is carried at the maximum redemption value. The Series A Preferred Stock does not have a maturity date and, therefore, is considered perpetual.

Dividends on redeemable Series A Preferred Stock are recorded to retained earnings or additional paid-in capital if retained earnings is an accumulated deficit. Dividends are cumulative, and any declaration of dividends is at the discretion of the Company's Board of Directors (the "Board"). If the Board does not declare a dividend in respect of any dividend payment date, the amount of such accrued and unpaid dividend is added to the liquidation preference of the Series A Preferred Stock and compounds quarterly thereafter. See ["Note 8–Securities Financing."](#)

Derivative Instruments

We use derivative instruments as part of our overall strategy to manage our exposure to market risks associated with the fluctuations in variable interest rates associated with our debt. We are also required to enter into interest rate derivative instruments in compliance with certain debt agreements. We regularly monitor the financial stability and credit standing of the counterparties to our derivative instruments. We do not enter into derivative financial instruments for trading or speculative purposes. We record all derivatives at fair value. As of June 30, 2025 and December 31, 2024, our derivative instruments consisted of interest rate caps that were not designated as hedge instruments. Changes in fair value of undesignated hedge instruments are recorded in current period earnings as interest expense. See ["Note 15–Derivatives and Hedging."](#)

Net Income Per Common Share

The Company uses the two-class method to compute net income per common share because the Company has issued securities (Series A Preferred Stock) that entitle the holders to participate in dividends and earnings of the Company. Under this method, net income is reduced by the amount of any dividends earned during the period. The remaining earnings (undistributed earnings) are allocated based on the weighted-average shares outstanding of common stock and participating securities, including Series A Preferred Stock (on an if-converted basis) to the extent that each participating security may share in earnings as if all of the earnings for the period had been distributed. The total earnings allocated to common stock is then divided by the number of outstanding shares to which the earnings are allocated to determine the earnings per share. The two-class method is not applicable during periods with a net loss, as the holders of the participating securities, including Series A Preferred Stock, have no obligation to fund losses.

Diluted net income per common share is computed under the two-class method by using the weighted-average number of shares of common stock outstanding, plus, for periods with net income attributable to common stockholders, the potential dilutive effects of stock options, stock-based compensation awards, and warrants. In addition, the Company analyzes the potential dilutive effect of the outstanding Series A Preferred Stock under the "if-converted" method when calculating diluted earnings per share, in which it is assumed that the outstanding Series A Preferred Stock converts into common stock at the beginning of the period or when issued, if later. The Company reports the more dilutive of the approaches (two class or "if-converted") as its diluted net income per share during the period. See ["Note 10–Net Income \(Loss\) Per Share."](#)

Segment Reporting

The Company evaluates the performance of its senior living communities and allocates resources based on current operations and market assessments on a property-by-property basis. The Company does not have a concentration of operations geographically or by product or service as its management functions are integrated at the property level. The Company has determined that its operating units meet the criteria in ASC Topic 280, *Segment Reporting*, to be aggregated into one reporting segment. As such, the Company operates in one segment.

Recently Issued Accounting Pronouncements Not Yet Adopted

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduces a practical expedient to calculating current expected credit loss by assuming that the current conditions as of the balance sheet date will not change for the remaining life of the asset. This expedient can only be applied to current accounts receivable and current contract assets. This update is effective for annual reporting periods beginning after December 15, 2025 and interim periods within those annual periods, and this update is applied prospectively. Early adoption is permitted in both interim and annual periods in which financials have not been issued. The Company is evaluating the impact the adoption of this guidance will have on its condensed consolidated financial statements and related disclosures.

Improvements to Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (Topic 220)*. The ASU requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization, within relevant income statement captions. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Adoption of this ASU can either be applied prospectively to consolidated financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the consolidated financial statements. Early adoption is also permitted. This ASU will likely result in the required additional disclosures where applicable being included in our consolidated financial statements once adopted. We are currently evaluating the provisions of this ASU.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The guidance was effective for the Company beginning on January 1, 2025, with the new disclosure requirements effective in the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2025. The impact of the guidance is limited to financial statement disclosures.

3. Investments and Acquisitions

Investment in Consolidated VIE

In July 2024, the Company entered into the Palatine JVs with affiliates of Palatine Capital Partners, which acquired four senior living communities located in Texas (3) and Georgia (1). The Company is a 51% owner in the joint ventures. The noncontrolling interest of the Palatine JVs is reported on the noncontrolling interest line items in the Company's condensed consolidated financial statements.

Investment in Stone Unconsolidated Entity

In May 2024, the Stone JV purchased four communities in the Midwest. KZ Stone Investor LLC is the controlling managing member of the Stone JV and owned 67.29% of the entity as of June 30, 2025. Sonida owned a 32.71% noncontrolling interest in the Stone JV as of June 30, 2025. Sonida operates the four communities for a management fee based on the gross revenues of the applicable communities, as well as an incentive management fee based on earnings before interest, taxes, depreciation, amortization, rent, and management fees, and other customary terms and conditions.

The Company has evaluated its investment in the Stone JV under ASC 810 and determined that it does not have the power to direct the activities of the VIE that most significantly impact its economic performance and is not the primary beneficiary of the VIE. The Company's interests in the VIE are, therefore, accounted for under the equity method of accounting. The carrying amount of the Company's investment in the unconsolidated venture and maximum exposure to loss as a result of the Company's ownership interest in the Stone JV was \$9.8 million as of June 30, 2025, which is included in investment in unconsolidated entity on the accompanying condensed consolidated balance sheet. For the six months ended June 30, 2025, the Company received a return of its investment of \$0.4 million in its unconsolidated entity.

The Company evaluates the realization of its investment in unconsolidated entities accounted for using the equity method if circumstances indicate the Company's investment is other than temporarily impaired. For the three and six months ended June 30, 2025, there were no impairments.

East Lake Acquisition

On May 30, 2025, the Company acquired one senior living community located in Tarpon Springs, Florida for a purchase price of \$11.0 million plus transaction costs of \$0.3 million. The asset acquisition was recorded at relative fair value. The Company recorded \$9.9 million in "Property and equipment, net" for tangible assets purchased; \$1.6 million in "Intangible assets, net" for in-place leases; and \$0.2 million in "Other long-term liabilities" for below market leases in the Company's condensed consolidated balance sheets. The Company mortgaged the property with a \$9.0 million loan. See "[Note 7-Debt](#)."

Alpharetta Acquisition

On June 1, 2025, the Company acquired one senior living community located in Alpharetta, Georgia for a purchase price of \$11.0 million plus transaction costs of \$0.2 million. The asset acquisition was recorded at relative fair value. The Company recorded \$9.1 million in “Property and equipment, net” for tangible assets purchased; \$2.1 million in “Intangible assets, net” for in-place leases; and \$0.1 million in “Other long-term liabilities” for below market leases in the Company’s condensed consolidated balance sheets.

4. Property and Equipment, net

As of June 30, 2025 and December 31, 2024, property and equipment, net, which include assets under finance leases, consist of the following (in thousands):

	Asset Lives	June 30, 2025	December 31, 2024
Land	NA	\$ 76,768	\$ 73,405
Land improvements	5 to 20 years	34,664	31,764
Buildings and building improvements	10 to 40 years	1,009,351	989,054
Furniture and equipment	5 to 10 years	70,369	66,600
Automobiles	5 to 7 years	3,020	2,923
Assets under financing leases and leasehold improvements	5 to 10 years	7,125	5,607
Construction in progress	NA	2,251	1,039
Total property and equipment		\$ 1,203,548	\$ 1,170,392
Less accumulated depreciation and amortization		(453,287)	(430,508)
Total property and equipment, net		\$ 750,261	\$ 739,884

The Company recognized depreciation and amortization expense on its property and equipment of \$11.5 million and \$9.9 million for the three months ended June 30, 2025 and 2024, respectively, and \$22.8 million and \$19.7 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, property and equipment, net included \$1.2 million and \$1.8 million, respectively, of capital expenditures which had been incurred but not yet paid.

There were no impairments of long-lived assets for the six months ended June 30, 2025 and June 30, 2024.

5. Intangible Assets

Intangibles, net represents in-place leases, purchased with acquired communities. A portion of purchase price for acquisitions have been allocated to in-place leases. The intangible assets are estimated to be amortized over the straight-line method over their estimated useful lives as of the date of acquisition. The intangibles, net balance is as follows (in thousands):

	June 30, 2025	December 31, 2024	Weighted Average Life Remaining (in years)
In-place leases, gross	\$ 32,699	\$ 28,960	
Accumulated amortization	(9,126)	(4,434)	
Intangibles, net	\$ 23,573	\$ 24,526	2.3

Amortization expense for intangible assets was \$2.3 million and \$0.3 million for the three months ended June 30, 2025 and 2024, respectively, and \$4.7 million and \$0.4 million for the six months ended June 30, 2025 and 2024, respectively. Expected future amortization expense of intangible assets as of June 30, 2025 is as follows (in thousands):

Future amortization:		
2025, remaining	\$	5,163
2026		10,327
2027		7,564
2028		519
Total Amortization	\$	23,573

6. Accrued Expenses

The following is a summary of accrued expenses as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Accrued payroll and employee benefits	\$ 15,592	\$ 20,894
Accrued interest ⁽¹⁾	8,123	8,499
Accrued taxes	7,299	8,050
Accrued professional fees	9,008	3,315
Accrued other expenses	3,055	4,266
Total accrued expenses	\$ 43,077	\$ 45,024

(1) Includes deferred interest of \$4.7 million and \$5.5 million as of June 30, 2025 and December 31, 2024, respectively, in consideration of the Fannie Mae (defined below) troubled debt restructuring. The deferred interest represents interest that has been forgiven under the Fannie Mae troubled debt restructuring.

7. Debt

Long-term debt balances, including associated interest rates and maturities consists of the following (in thousands):

	Maturity Date	Weighted average interest rate		June 30, 2025	December 31, 2024
		June 30, 2025	December 31, 2024		
Senior secured revolving credit facility	2027	6.9%	7.3%	\$ 75,000	\$ 60,000
Fixed rate mortgage notes payable	2025 to 2045	4.6%	4.6%	400,009	400,229
Variable rate mortgage notes payable ⁽¹⁾	2026 to 2029	6.4%	6.5%	180,530	171,530
Notes payable - consolidated VIE	2026 to 2027	7.1%	7.2%	21,690	21,690
Notes payable - insurance	2025 to 2026	5.8%	6.9%	3,653	1,707
Total debt				680,882	655,156
Deferred loan costs, net				2,995	3,766
Total debt, net of deferred loan costs				677,887	651,390
Current portion of debt				17,724	15,486
Long-term debt, net				\$ 660,163	\$ 635,904

(1) See “Note 14–Fair Value Measurements” for interest rate cap agreements on variable rate mortgage notes payable.

The following schedule summarizes our debt payable as of June 30, 2025 (in thousands):

Principal payments due in:

2025	\$ 18,118
2026	133,834
2027	87,597
2028	12,395
2029	408,562
Thereafter	20,376
Total debt, excluding deferred loan costs	\$ 680,882

As of June 30, 2025, our fixed rate mortgage notes bore interest rates ranging from 3.0% to 6.3%. Our variable rate mortgage notes and Credit Facility (as defined below) are based on the Secured Overnight Financing Rate (“SOFR”) plus an applicable margin. As of June 30, 2025, the one-month SOFR was 4.5% and the applicable margins ranged from 0.0% to 3.5%.

As of June 30, 2025, we had property and equipment with a net carrying value of \$578.8 million that was secured by outstanding notes payable. In addition, as of June 30, 2025, we had property and equipment with a net carrying value of \$143.3 million secured by the Credit Facility (as defined below).

2025 Mortgage Loan

On May 30, 2025, the Company acquired one senior living community located in Tarpon Springs, Florida. The Company mortgaged the property with a \$9.0 million interest-only loan due in 36 months, plus two 12-month extensions at the Company’s option subject to meeting certain financial conditions. The interest rate is based on SOFR plus applicable margins ranging from 0.0% to 3.0%.

2024 Fannie Mae Loan Modifications

In December 2024, the Company and certain of its subsidiaries entered into an Omnibus Amendment to Multifamily Loan and Security Agreements (the “Omnibus Amendment”) with Federal National Mortgage Association (“Fannie Mae”). The Omnibus Amendment amends the terms of each of the loan agreements (each, a “2024 Loan Agreement” and collectively, the “2024 Loan Agreements”) relating to 18 of the Company’s 37 senior living communities encumbered by mortgage agreements with Fannie Mae to, among other things, extend the maturity dates of each 2024 Loan Agreements from December 1, 2026 to January 1, 2029 in exchange for \$10.0 million of scheduled principal paydowns on the 2024 Loan Agreements, which included

a \$2.0 million paydown made at closing and a series of \$2.0 million, \$3.0 million and \$3.0 million due in November 2025, 2026 and 2027, respectively.

Senior Secured Revolving Credit Facility

During 2024, the Company entered into a credit agreement with BMO Bank, N.A. and Royal Bank of Canada for a senior secured revolving credit facility (the “Credit Facility”). The Credit Facility has a borrowing capacity of up to \$150.0 million, a term of three years, a leverage-based pricing matrix between SOFR plus 2.10% margin and SOFR plus 2.60% margin and is fully recourse to Sonida Senior Living, Inc. and its applicable subsidiaries. The borrowing base by which borrowing availability under the Credit Facility is determined is generally based upon the value of the senior living communities that secure the Company’s obligations under the Credit Facility. As of June 30, 2025, \$75.0 million of borrowings were outstanding under the Credit Facility at a weighted average interest rate of 6.9%, which was secured by 13 of the Company’s senior living communities. As of June 30, 2025, we had an additional borrowing capacity of up to \$32.9 million under our Credit Facility.

Texas Loan Modification

In August 2024, the Company entered into loan modification agreements (“Texas Loan Modification”) with one of its lenders on two owned communities in Texas. The original loan terms included maturities of April 2025 and October 2031, as well as cross-default provisions with each other. The Texas Loan Modification included revised loan maturities of December 2025 on both communities, with the Company’s option to make a discounted payoff (“Texas DPO”) of the outstanding loan principal on or prior to November 1, 2024. As part of the consideration, the Company was required to pay a total restructuring fee of \$250,000. On November 1, 2024, the Company paid \$18.3 million for the Texas DPO, which was financed with funds received from our Credit Facility.

2024 Loan Repurchase Agreement and Ally Term Loan Expansion

In 2024, we entered into an agreement with one of our previous lenders whereby the Company agreed to purchase the outstanding indebtedness it owed to such lender for a purchase price of \$40.2 million (plus the reimbursement of certain amounts advanced to the Company by such lender). On February 2, 2024, the Company completed the purchase of the total outstanding principal balance of \$74.4 million from the lender that was secured by seven of the Company’s senior living communities (such transaction, the “2024 Loan Purchase”). The 2024 Loan Purchase was funded by expanding the Company’s existing loan facility with Ally Bank (“Ally”) by \$24.8 million (“Ally Third Amendment”) and the remainder was funded by proceeds from the issuance of common stock. The 2024 Loan Purchase and Ally financing closed in February 2024, reduced notes payable by \$49.6 million, and resulted in a gain on debt extinguishment, net totaling \$38.1 million for the six months ended June 30, 2024. The Company incurred deferred loan costs of \$0.5 million as part of the Ally financing that are amortized over the loan term. As part of the Ally Third Amendment, the Company expanded its current interest rate cap to include the additional borrowing at a cost of \$0.6 million and increased the monthly interest rate cap reserve (“IRC Reserve”) held by Ally to match the notional amount required under the increased obligation. The expanded Ally debt facility was secured by six of the Company’s senior living communities involved in the transaction.

2024 Ally Loan Amendment

On May 22, 2024, the Company executed an amendment (“Ally Fourth Amendment”) to the Ally term loan agreement. Ally Bank successfully syndicated a portion of its total term loan commitment to Cross River Bank (“Cross River”). Following the syndication, Ally Bank and Cross River owned 67.5% and 32.5%, respectively, of the outstanding principal balance. As each lender loans a specific amount to the debtor and has the right to repayment from the debtor this transaction is considered a loan syndication and the guidance in ASC 470-50 was applied to the modified loans on a creditor-by-creditor basis. As Ally Bank was the sole lender prior to the syndication, there is no change in the allocation of deferred loan costs, and they will continue to be amortized over the loan term. As part of the syndication, the IRC reserve spread moved from 2.3% to 3.0%, capping the total interest at 6.5% on the Ally term loan. The Ally Fourth Amendment allows the Company the option to extend the Ally debt maturity by 12 months from March 2026 to March 2027. See “[Note 17–Subsequent Events](#).”

Notes Payable - Consolidated VIE

As of June 30, 2025, the Company had \$21.7 million of mortgage debt outstanding related to the Palatine JVs. The mortgages have a weighted average interest rate of 7.1% and terms ranging from 2026 through 2027. The Company has guaranteed \$3.1 million of the Palatine JV mortgages. In addition, one of the affiliates in the Palatine JVs entered into a SOFR-based IRC to reduce exposure to the variable interest rate fluctuations associated with one of the mortgages at a cost of \$0.1 million.

Notes Payable - Insurance

As of June 30, 2025, the Company had finance agreements for certain insurance policies totaling \$3.7 million, with a weighted average fixed interest rate of 5.8%, and principal being repaid over nine or ten month terms.

Deferred Loan Costs

As of June 30, 2025 and December 31, 2024, the Company had gross deferred loan costs of \$11.4 million and \$11.4 million, respectively, related to notes payable. Accumulated amortization was \$8.4 million and \$7.6 million as of June 30, 2025 and December 31, 2024, respectively.

Financial Covenants

Certain of the Company's debt agreements contain restrictions and financial covenants, which require the Company to maintain prescribed minimum liquidity, net worth, and stockholders' equity levels and debt service ratios, and require the Company not to exceed prescribed leverage ratios, in each case on a consolidated, portfolio-wide, multi-community, single-community, and/or entity basis. In addition, the Company's debt agreements generally contain non-financial covenants, such as those requiring the Company to comply with Medicaid provider requirements and maintain insurance coverage.

The Company's failure to comply with applicable covenants could constitute an event of default under the applicable debt agreements. Many of the Company's debt agreements contain cross-default provisions so that a default under one of these instruments could cause a default under other debt agreements (including with other lenders). Furthermore, the Company's mortgage debt is secured by its communities and, in certain cases, a guaranty by the Company and/or one or more of its subsidiaries.

As of June 30, 2025, the Company was in compliance with the financial covenants of its debt agreements.

8. Securities Financing

Series A Preferred Stock

As of June 30, 2025, the Company had 41,250 shares of Series A Preferred Stock outstanding. The Series A Preferred Stock is convertible outside of the Company's control and, in accordance with GAAP, is classified as mezzanine equity, outside the stockholders' equity (deficit) section, on our condensed consolidated balance sheets.

The Series A Preferred Stock has an 11% annual dividend calculated on the original investment of \$41.3 million accrued quarterly in arrears and compounded. Dividends are cumulative, and any declaration of dividends is at the discretion of the Company's Board. If the Board does not declare a dividend in respect of any dividend payment date, the amount of such accrued and unpaid dividend is added to the liquidation preference of the Series A Preferred Stock and compounds quarterly thereafter. On each of March 31, 2025 and June 30, 2025, the Board declared and paid \$1.4 million in dividends on its Series A Preferred Stock. As of June 30, 2025, a total of \$10.0 million had been added to the liquidation preference of the Series A Preferred Stock.

The following schedule summarizes our Series A Preferred Stock as of June 30, 2025 and December 31, 2024 (in thousands):

	Preferred Stock	
	Shares	Amount
Balance as of December 31, 2024	41	\$ 51,249
Balance as of June 30, 2025	41	\$ 51,249

Outstanding Warrants

In November 2021, the Company issued 1,031,250 warrants to the Conversant Investors, each evidencing the right to purchase one share of common stock at a price per share of \$40 and with an exercise expiration date of five years after the closing date of such financing transactions. The Company had 1,031,250 outstanding warrants as of June 30, 2025 and December 31, 2024.

9. Revenue

Revenue for the three and six months ended June 30, 2025 and 2024 is comprised of the following components (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Housing and support services	\$ 80,930	\$ 62,361	\$ 159,341	\$ 122,345
Community fees	583	484	1,117	943
Ancillary services	332	263	642	557
Resident revenue	81,845	63,108	161,100	123,845
Management fees	1,134	720	2,195	1,314
Managed community reimbursement revenue	10,546	6,379	22,153	12,486
Total revenues	\$ 93,525	\$ 70,207	\$ 185,448	\$ 137,645

Community fees, ancillary services, management fees, and community reimbursement revenue represent revenue from contracts with customers in accordance with GAAP.

10. Net Income (Loss) Per Share

Basic net income (loss) per share (“EPS”) is calculated by dividing net earnings by the weighted average number of common shares outstanding during the period. Potentially dilutive securities include warrants, Series A Preferred Stock, shares of restricted stock, restricted stock units, and former employee stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities. The Series A Preferred Stock is considered participating securities for the purposes of the Company’s EPS calculation.

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except for per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic net income (loss) per common share calculation:				
Net income (loss) attributable to Sonida shareholders	\$ (1,563)	\$ (9,816)	\$ (14,092)	\$ 17,203
Less: Dividends on Series A Preferred Stock	(1,409)	—	(2,818)	—
Less: Undeclared dividends on Series A Preferred Stock	—	(1,372)	—	(2,707)
Less: Undistributed earnings allocated to participating securities	—	—	—	(1,425)
Net income (loss) attributable to common shareholders	\$ (2,972)	\$ (11,188)	\$ (16,910)	\$ 13,071
Weighted average shares outstanding — basic	18,093	13,014	18,070	11,438
Basic net income (loss) per share	\$ (0.16)	\$ (0.86)	\$ (0.94)	\$ 1.14
Diluted net income (loss) per common share calculation:				
Net income (loss) attributable to common shareholders	\$ (2,972)	\$ (11,188)	\$ (16,910)	\$ 13,071
Weighted average shares outstanding — diluted	18,093	13,014	18,070	12,143
Diluted net income (loss) per share	\$ (0.16)	\$ (0.86)	\$ (0.94)	\$ 1.08

<i>(shares in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted average shares outstanding - diluted reconciliation:				
Weighted average shares outstanding — basic	18,093	13,014	18,070	11,438
Dilutive effect of share-based instruments	—	—	—	705
Weighted average shares outstanding — diluted	18,093	13,014	18,070	12,143

The following weighted-average shares of securities were not included in the computation of diluted net income (loss) per common share as their effect would have been antidilutive:

<i>(shares in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Warrants	1,031	1,031	1,031	1,031
Series A Preferred Stock (if converted)	1,281	1,264	1,281	1,247
Restricted stock awards	784	972	834	141
Restricted stock units	113	2	60	1
Stock options	10	10	10	10
Total	3,219	3,279	3,216	2,430

11. Stock-Based Compensation

The Company uses equity awards as a long-term retention program that is intended to attract, retain and provide incentives for employees, officers, and directors and to more closely align stockholder and employee interests. The Company recognizes compensation expense for all of its share-based stock awards based on their fair values.

The Company recognized \$1.2 million in stock-based compensation expense for the three months ended June 30, 2025 and June 30, 2024. The Company recognized \$2.2 million and \$1.8 million in stock-based compensation expense for the six months ended June 30, 2025 and June 30, 2024, respectively. As of June 30, 2025, the Company had \$12.5 million in unrecognized stock compensation expense which will be recognized over approximately three years.

12. Commitments and Contingencies

As of June 30, 2025, the Company had contractual commitments of \$8.6 million related to future renovations and technology enhancements to its communities.

The Company has a remaining deferred purchase price of \$1.2 million for the Palatine JVs acquisition. If a capital call notice is given, Sonida would be required to contribute \$1.2 million on behalf of its JV partner before it would begin to fund their pro rata share of capital calls.

The Company has claims incurred in the normal course of its business. Most of these claims are believed by management to be covered by insurance, subject to deductibles, normal reservations of rights by the insurance companies and possibly subject to certain exclusions in the applicable insurance policies. Where appropriate, these matters have been submitted to the Company's insurance carrier. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. It is not possible to quantify the ultimate liability, if any, in these matters. Loss contingencies are reviewed quarterly, and estimates are adjusted to reflect the impact of all known information. As more information becomes available, including from potential claimants as litigation or resolution efforts progress, management estimates and assumptions regarding the potential financial impacts may change.

As of June 30, 2025, the Company was the prospective defendant in a pre-suit claim of negligence and wrongful death relating to a former resident at one of the Company's senior living communities. While, to the Company's knowledge, no complaint has been filed with respect to such claim as of the date of this Quarterly Report on Form 10-Q, the Company has deemed it to be probable that such claim will result in a loss. The Company maintains insurance coverage for this claim, subject to meeting certain deductibles, applicable policy limits, customary reservations of rights by the insurance company, and the other terms and conditions thereof. Estimating an amount or range of possible losses from claims of this nature is inherently difficult, particularly where litigation has not commenced, and the final timing and outcome of such claim is dependent on many factors that are difficult to predict. Accordingly the Company's ultimate cost related to this matter may be materially different than the amount of the Company's current estimate and accruals.

The Company has accrued a total \$6.5 million as of June 30, 2025 for all loss contingencies that are probable to result in a loss and reasonably estimated which is included in accrued expenses on the condensed consolidated balance sheet. In addition, insurance receivables for these claims have been recorded totaling \$5.1 million as of June 30, 2025 which is included in accounts receivable on the condensed consolidated balance sheet.

13. Related Party Transactions

Conversant

As of June 30, 2025, Conversant Capital, LLC and its affiliates have a controlling interest in the Company. See “[Note 8–Securities Financing](#).”

Stone Joint Venture

As of June 30, 2025, the Company manages the four communities owned by the Stone JV under a management agreement and also provides reporting services for the joint venture. See “[Note 3–Investments](#).” During the six months ended June 30, 2025, the Company received a distribution of \$0.4 million as a return of its investment in the Stone JV.

In September 2024, the Stone JV entered into a \$35.0 million mortgage loan with a 36-month term and a fixed interest rate equal to 7.3% backed by the four communities owned by the Stone JV. As of June 30, 2025 and December 31, 2024, the outstanding balance of the Stone JV loan was \$35.0 million and the Company guaranteed \$14.0 million of the loan.

Palatine Joint Ventures

As of June 30, 2025, the Company manages the four communities owned by subsidiaries of the Palatine JVs under a management agreement and also provides reporting services for the two joint ventures. See “[Note 3–Investments](#).”

14. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company uses interest rate cap arrangements with financial institutions to manage exposure to interest rate changes for loans with variable interest rates. As of each of June 30, 2025 and December 31, 2024, we had interest rate cap agreements with an aggregate notional value of \$185.1 million. The fair value of these derivative assets as of June 30, 2025 and December 31, 2024 was \$0.7 million and \$1.5 million, respectively, which was determined using significant observable inputs (Level 2), including quantitative models that utilize multiple market inputs to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions, and third-party pricing services. See “[Note 15– Derivatives and Hedging](#).”

Financial Instruments Not Reported at Fair Value

For those financial instruments not carried at fair value, the carrying amount and estimated fair values of our financial assets and liabilities were as follows as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 14,053	\$ 14,053	\$ 16,992	\$ 16,992
Restricted cash	19,644	19,644	22,095	22,095
Debt, excluding deferred loan costs	\$ 680,882	\$ 617,079	\$ 655,156	\$ 621,597

We believe the carrying amount of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable, and accrued liabilities approximate fair value due to their short-term nature.

The fair value of debt, excluding deferred loan costs, is estimated using discounted cash flow analysis, based on current incremental borrowing rates for similar types of borrowing arrangements, which represent Level 2 inputs as defined in *ASC 820, Fair Value Measurement*.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company adjusts the carrying amount of certain non-financial assets to fair value on a non-recurring basis when they are impaired. There were no impairment losses for the six months ended June 30, 2025 and 2024.

15. Derivatives and Hedging

The Company uses derivatives as part of its overall strategy to manage our exposure to market risks associated with the fluctuations in variable interest rates associated with our debt. We are also required to enter into interest rate derivative instruments in compliance with certain debt agreements. We do not enter into derivative financial instruments for trading or speculative purposes.

During April 2024, the Company entered into an interest rate cap transaction for an aggregate notional amount of \$49.2 million for \$1.1 million to reduce exposure to interest rate fluctuations associated with a portion of our variable mortgage notes payable to Fannie Mae. The interest rate cap has 24-month term and effectively caps SOFR at 4.00%. The Company is funding an IRC reserve for a replacement IRC which is held by the lender. The IRC is not designated as a cash flow hedge under *ASC 815-20, Derivatives – Hedging*, and therefore, all changes in the fair value of the instrument are included as a component of interest expense in our condensed consolidated statements of operations.

In connection with a loan related to the Company’s acquisition of a community located in Macedonia, Ohio in May 2024, the Company entered into a SOFR-based interest rate cap to reduce exposure to the variable interest rate fluctuations associated with the new mortgage. The total cost of the IRC was \$0.2 million and has an aggregate notional amount of \$9.4 million. The IRC has a 24-month term and caps SOFR at 6.00%.

The interest rate cap agreement has a 12-month term and effectively caps the interest rate at 2.25% with respect to the portion of our floating rate indebtedness. In February 2024, as part of the Ally Term Loan expansion, the Company entered into a SOFR-based interest rate cap transaction for an aggregate notional amount of \$24.8 million at a cost of \$0.6 million. See [“Note 7–Debt.”](#)

The following table presents the fair values of derivative assets and liabilities in the condensed consolidated balance sheets (in thousands):

	June 30, 2025			
	Derivative Asset		Derivative Liability	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Interest rate cap (SOFR-based)	\$ 185,109	\$ 684	\$ —	\$ —
Total derivatives, net	\$ 185,109	\$ 684	\$ —	\$ —

	December 31, 2024			
	Derivative Asset		Derivative Liability	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Interest rate cap (SOFR-based)	\$ 185,145	\$ 1,465	\$ —	\$ —
Total derivatives, net	\$ 185,145	\$ 1,465	\$ —	\$ —

The following table presents the effect of the derivative instruments on the condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Derivative not designated as hedge				
Interest rate cap				
Loss on derivatives not designated as hedges included in interest expense	\$ (291)	\$ (1,079)	\$ (781)	\$ (1,606)

16. Segment Information

Each of our communities are identified as individual operating segments and we combine them into a single reportable segment for reporting purposes under ASC 280. We measure the segment based on resident revenue less community operating expense, (adjusted for various non-recurring non-operating community expenses), which we define as community net operating income (“NOI”), as well as some key performance indicators such as weighted average occupancy and a measurement of average rent per available unit.

Our Chief Executive Officer is our chief operating decision maker (“CODM”), who organizes our company, manages resource allocations and measures performance among our one reportable segment. The CODM uses community NOI by property to allocate operating and capital resources and assesses performance of the segment by comparing actual NOI results to historical results and previously forecasted financial information. Our CODM manages our business by reviewing annual forecasts and segment results on a monthly basis. The measure of segment assets is reported on the condensed consolidated balance sheet as total consolidated assets. The total investment in equity method investments and capital expenditures are presented on the consolidated financial statements.

The following table presents resident revenue, community operating expense and community net operating income by reportable segment (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Resident revenue	\$ 81,845	\$ 63,108	\$ 161,100	\$ 123,845
Community operating expense:				
Labor	39,331	28,913	77,630	58,030
Food	3,839	3,301	7,267	6,400
Utilities	3,525	2,624	7,526	5,934
Other community operating expense ⁽¹⁾	13,914	10,654	27,300	20,950
Total community operating expense	60,609	45,492	119,723	91,314
Community net operating income	\$ 21,236	\$ 17,616	\$ 41,377	\$ 32,531

(1) Includes community maintenance, software expense, supplies, insurance, real estate taxes, marketing expense, and other overhead expense.

A reconciliation of segment revenues to consolidated total revenues is as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Segment resident revenue	\$ 81,845	\$ 63,108	\$ 161,100	\$ 123,845
All other non-segment revenue:				
Management fees	1,134	720	2,195	1,314
Managed community reimbursement revenue	10,546	6,379	22,153	12,486
Total revenues	\$ 93,525	\$ 70,207	\$ 185,448	\$ 137,645

A reconciliation of segment net operating income to the Company’s condensed consolidated statements of operations is as follows (in thousands):

	Three months ended June,		Six months ended June,	
	2025	2024	2025	2024
Segment net operating income	\$ 21,236	\$ 17,616	\$ 41,377	\$ 32,531
Management fees	1,134	720	2,195	1,314
Other operating expenses	(811)	(489)	(2,111)	(984)
General and administrative expense	(9,729)	(8,713)	(18,201)	(15,525)
Transaction, transition and restructuring costs	(461)	(465)	(1,071)	(864)
Depreciation and amortization expense	(13,646)	(10,067)	(27,332)	(20,002)
Interest income	986	387	1,228	526
Interest expense	(9,271)	(8,964)	(18,717)	(17,555)
Gain on extinguishment of debt, net	—	—	—	38,148
Loss from equity method investment	(383)	(35)	(713)	(35)
Other income (expense), net	9,063	253	8,513	(226)
Provision for income taxes	(91)	(59)	(166)	(125)
Net income (loss)	\$ (1,973)	\$ (9,816)	\$ (14,998)	\$ 17,203

17. Subsequent Events

Ally Term Loan

On August 7, 2025, the Company entered into a senior secured term loan of \$137.0 million (“2025 Ally Term Loan”) with Ally with a closing fee of 0.75%, or \$1.0 million. The 2025 Ally Term Loan allows for an initial term loan advance on the closing date of \$122.0 million on 19 communities, which includes 18 communities under the existing Ally term loan agreement, as well as the Alpharetta community acquired in June 2025. Two additional draws of \$7.5 million each will become available subject to achieving certain debt yields and debt service coverages ratios. The 2025 Ally Term Loan has a 36-month maturity date and a variable interest rate of one-month SOFR plus a 2.65% margin. As of June 30, 2025, the Company has \$112.9 million outstanding under the existing Ally term loan agreement, which has a maturity date of March 10, 2026. The Company has the ability to request an increase in the term loan up to \$40.0 million to finance additional properties subject to lender due diligence and review.

Purchase and Sale Agreement

In July 2025, the Company signed a purchase and sale agreement for one community located in Texas with a purchase price of \$15.6 million. The acquisition is contingent upon customary closing conditions.

Notes Payable - Insurance

In July 2025, the Company entered into a finance agreement for certain insurance policies totaling \$3.9 million, with an interest rate of 5.6%, and principal being repaid over a ten month term.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help provide an understanding of our business and results of operations. This MD&A should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This report, including the following MD&A, contains forward-looking statements regarding future events or trends that should be read in conjunction with the risks, uncertainties and other factors described under “Cautionary Note Regarding Forward-Looking Statements” above in this Quarterly Report on Form 10-Q and “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 17, 2025, as well as [“Item. 1A. Risk Factors”](#) in this Quarterly Report on Form 10-Q. Actual results may differ materially from those projected in such statements as a result of such risks, uncertainties and other factors. Unless otherwise specified or where the context otherwise requires, references in this Quarterly Report on Form 10-Q to “our,” “we,” “us,” “Sonida”, the “Company” and “our business” refer to Sonida Senior Living, Inc., together with its consolidated subsidiaries.

Overview

The following discussion and analysis addresses (i) the Company’s results of operations for the three and six months ended June 30, 2025 and 2024, and (ii) liquidity and capital resources of the Company.

The Company is a leading owner, operator and investor in independent living, assisted living and memory care communities and services for senior adults in the United States in terms of resident capacity. The Company’s operating strategy is to provide value to its senior living residents by providing quality senior living services at reasonable prices, while achieving and sustaining a strong, competitive position within its geographically concentrated regions, as well as continuing to enhance the performance of its operations. The Company primarily provides senior living services to the 75+ population, including independent living, assisted living, and memory care services at reasonable prices. Many of the Company’s communities offer a continuum of care to meet each of their resident’s needs as they change over time. This continuum of care, which integrates independent living, assisted living, and memory care that may be bridged by home care through independent home care agencies, sustains our residents’ autonomy and independence based on their physical and mental abilities.

As of June 30, 2025, the Company owned, managed, or invested in 96 senior housing communities in 20 states with an aggregate capacity of approximately 10,150 residents, including 83 owned senior housing communities (including four through joint venture investments in consolidated entities, four owned through a joint venture investment in an unconsolidated entity, and one unoccupied) and 13 communities that the Company manages on behalf of a third party.

Significant Financial and Operational Highlights

Operations

During the three months ended June 30, 2025, the Company generated resident revenue of \$81.8 million compared to resident revenue of \$63.1 million in the three months ended June 30, 2024, representing an increase of 29.6%. The increase in revenue was primarily due to increased average rent rates and 18 additional communities acquired during 2024 and 2025 (including one unoccupied community acquired on December 31, 2024).

Weighted average occupancy for the three months ended June 30, 2025 and 2024 for the communities owned by the Company, excluding 2024 and 2025 acquisitions and repositioning projects, was 86.5% and 86.1%, respectively, reflecting continued occupancy growth. The average monthly rental rate for these owned communities for the three months ended June 30, 2025 increased 4.4% when compared to the three months ended June 30, 2024.

During the six months ended June 30, 2025, the Company generated resident revenue of \$161.1 million compared to \$123.8 million during the six months ended June 30, 2024, representing an increase of 30.1%. The increase in revenue was primarily due to increased rent rates and 18 additional communities that were acquired during 2024 and 2025 (including one unoccupied community acquired on December 31, 2024).

Weighted average occupancy for the six months ended June 30, 2025 and 2024 for the communities owned by the Company, excluding 2024 and 2025 acquisitions and repositioning projects, was 86.7% and 85.9%, respectively, reflecting continued occupancy growth. The average monthly rental rate for the six months ended June 30, 2025 was 5.0% higher as compared to the six months ended June 30, 2024.

Management Services

The Company has property management agreements with third parties and its joint ventures pursuant to which the Company manages certain communities on their behalf for a management fee based on gross revenues of the applicable communities, as well as, in some cases, an incentive management fee, and other customary terms and conditions. The Company managed 13 and 12 communities on behalf of a third party for the six months ended June 30, 2025 and 2024, respectively. The Company also managed four communities on behalf of an unconsolidated joint venture and four communities in consolidated joint ventures for the six months ended June 30, 2025.

Recent Acquisitions

East Lake Acquisition

In May 2025, the Company acquired one senior living community located in Tarpon Springs, Florida for a purchase price of \$11.0 million plus transaction costs of \$0.3 million. The asset acquisition was recorded at relative fair value. The Company recorded \$9.9 million in “Property and equipment, net” for tangible assets purchased; \$1.6 million in “Intangible assets, net” for in-place leases; and \$0.2 million in “Other long-term liabilities” for below market leases in the Company’s condensed consolidated balance sheets. The Company mortgaged the property with a \$9.0 million interest-only loan due in 36 months, plus 2 12-month extensions at the Company’s option subject to meeting certain financial conditions. The interest rate is based on SOFR plus applicable margins from 0.0% to 3.0%. See “[Note 7–Debt](#)” in the Notes to Condensed Consolidated Financial Statements.

Alpharetta Acquisition

In June 2025, the Company acquired one senior living community located in Alpharetta, Georgia for a purchase price of \$11.0 million plus transaction costs of \$0.2 million. The asset acquisition was recorded at relative fair value. The Company recorded \$9.1 million in “Property and equipment, net” for tangible assets purchased; \$2.1 million in “Intangible assets, net” for in-place leases, and \$0.1 million in “Other long-term liabilities” for below market leases in the Company’s condensed consolidated balance sheets.

Texas Purchase and Sale Agreement

In July 2025, the Company signed a purchase and sale agreement for one community located in Texas with a purchase price of \$15.6 million. The acquisition is contingent upon customary closing conditions.

Recent Investments

Investment in Consolidated VIE

In July 2024, the Company entered into two joint ventures (collectively, the “Palatine JVs”) with affiliates of Palatine Capital Partners, which acquired four senior living communities located in Texas (3) and Georgia (1). The Company is a 51% owner in the joint ventures. The noncontrolling interest of the Palatine JVs is reported on the noncontrolling interest line items in the Company’s condensed consolidated financial statements.

Investment in Stone Unconsolidated Entities

In May 2024, Stone JV LLC (“Stone JV”) purchased four communities in the Midwest. KZ Stone Investor LLC is the controlling managing member of the Stone JV and owned 67.29% of the entity as of June 30, 2025. Sonida owned a 32.71% noncontrolling interest in the Stone JV as of June 30, 2025. Sonida operates the four communities for a management fee based on the gross revenues of the applicable communities, as well as an incentive management fee based on earnings before interest, taxes, depreciation, amortization, rent, and management fees, and other customary terms and conditions.

The Company has evaluated its investment in the Stone JV under ASC 810 and determined that it does not have the power to direct the activities of the VIE that most significantly impact its economic performance and is not the primary beneficiary of the VIE. The Company’s interests in the VIE are, therefore, accounted for under the equity method of accounting. The carrying amount of the Company’s investment in the unconsolidated venture and maximum exposure to loss as a result of the Company’s ownership interest in the Stone JV was \$9.8 million as of June 30, 2025, which is included in investment in unconsolidated entity on the accompanying condensed consolidated balance sheet. For the six months ended June 30, 2025, the Company received a return of investment of \$0.4 million in its unconsolidated entity.

The Company evaluates the realization of its investment in unconsolidated entities accounted for using the equity method if circumstances indicate the Company’s investment is other than temporarily impaired. For the three and six months ended June 30, 2025, there were no impairments.

Recent Financing and Corporate Transactions

2025 Ally Term Loan

On August 7, 2025, the Company entered into a senior secured term loan of \$137.0 million (“2025 Ally Term Loan”) with Ally Bank (“Ally”) with a closing fee of 0.75%, or \$1.0 million. The 2025 Ally Term Loan allows for an initial term loan advance on the closing date of \$122.0 million on 19 communities, which includes 18 communities under the existing Ally term loan agreement, as well as the Alpharetta community acquired in June 2025. Two additional draws of \$7.5 million each will become available subject to achieving certain debt yields and debt service coverages ratios. The 2025 Ally Term Loan has a 36-month maturity date and a variable interest rate of one-month SOFR plus a 2.65% margin. As of June 30, 2025, the Company has \$112.9 million outstanding under the existing Ally term loan agreement, which has a maturity date of March 10, 2026. The Company has the ability to request an increase in the term loan up to \$40.0 million to finance additional properties subject to lender due diligence and review.

2024 Fannie Mae Loan Modifications

In December 2024, the Company and certain of its subsidiaries entered into an Omnibus Amendment to Multifamily Loan and Security Agreements (the “Omnibus Amendment”) with Federal National Mortgage Association (“Fannie Mae”). The Omnibus Amendment amended the terms of each of the loan agreements (each, a “2024 Loan Agreement” and collectively, the “2024 Loan Agreements”) relating to 18 of the Company’s 37 senior living communities encumbered by mortgage agreements with Fannie Mae to, among other things, extend the maturity dates of each 2024 Loan Agreements from December 1, 2026 to January 1, 2029 in exchange for \$10.0 million of scheduled principal paydowns on the 2024 Loan Agreements, which included a \$2.0 million paydown made at closing and a series of payments of \$2.0 million, \$3.0 million and \$3.0 million due in November 2025, 2026 and 2027, respectively.

Senior Secured Revolving Credit Facility

During 2024, the Company entered into a credit agreement with BMO Bank, N.A. and Royal Bank of Canada for a senior secured revolving credit facility (the “Credit Facility”). The Credit Facility has a borrowing capacity of up to \$150.0 million, a term of three years, a leverage-based pricing matrix ranging between SOFR plus 2.10% margin and SOFR plus 2.60% margin and is fully recourse to Sonida Senior Living, Inc. and its applicable subsidiaries. The borrowing base by which borrowing availability under the Credit Facility is determined is generally based upon the value of the senior living communities that secure the Company’s obligations under the Credit Facility. As of June 30, 2025, \$75.0 million of borrowings were outstanding under the Credit Facility at a weighted average interest rate of 6.9%, which was secured by 13 of the Company’s senior living communities. As of June 30, 2025, we had an additional borrowing capacity of up to \$32.9 million under our Credit Facility.

2024 Loan Repurchase and Ally Term Loan Expansion

In February 2024, the Company purchased \$74.4 million of its outstanding indebtedness it owed to one of its previous lenders, which was secured by seven of the Company’s senior living communities for a purchase price of \$40.2 million (plus the reimbursement of certain amounts advanced to the Company by such lender) (such transaction, the “2024 Loan Purchase”). The 2024 Loan Purchase was funded by expanding the Company’s then existing loan facility with Ally by \$24.8 million (“Ally Third Amendment”) and proceeds from the issuance of common stock. The 2024 Loan Purchase and Ally financing closed in February 2024, reduced notes payable by \$49.6 million, and resulted in a gain on debt extinguishment, net totaling \$38.1 million for the six months ended June 30, 2024. The Company incurred deferred loan costs of \$0.5 million as part of the Ally financing that are amortized over the loan term. As part of the Ally Third Amendment, the Company expanded its current interest rate cap to include the additional borrowing at a cost of \$0.6 million and increased the monthly interest rate cap reserve (“IRC Reserve”) held by Ally to match the notional amount required under the increased obligation. The expanded Ally debt facility is secured by six of the Company’s senior living communities involved in the transaction.

2024 Ally Loan Amendment

On May 22, 2024, the Company executed an amendment (“Ally Fourth Amendment”) to the Ally term loan agreement. Ally successfully syndicated a portion of its total term loan commitment to Cross River Bank. Following the syndication, Ally and Cross River Bank owned 67.5% and 32.5%, respectively, of the outstanding principal balance. As each lender loans a specific amount to the debtor and has the right to repayment from the debtor this transaction is considered a loan syndication and the guidance in ASC 470-50 was applied to the modified loans on a creditor-by-creditor basis. As Ally Bank was the sole lender prior to the syndication, there is no change in the allocation of deferred loan costs, and they will continue to be amortized over the loan term. As part of the syndication, the IRC Reserve spread moved from 2.3% to 3.0%, capping the total interest at 6.5% on the Ally term loan. The Ally Fourth Amendment allows the Company the option to extend the Ally debt maturity by 12 months from March 2026 to March 2027, which the Company currently intends to exercise.

Application of Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and related notes. Actual results could differ from those estimates. For a discussion of our critical accounting policies and estimates, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes to our critical accounting policies since December 31, 2024.

Recent Accounting Guidance Adopted

See “[Note 2–Summary of Significant Accounting Policies](#)” in the Notes to Condensed Consolidated Financial Statements for a discussion of new accounting pronouncements and our assessment of any expected impact of these pronouncements, if known.

Results of Operations

Three months ended June 30, 2025 as compared to three months ended June 30, 2024

Revenues

Resident revenue for the three months ended June 30, 2025 was \$81.8 million as compared to \$63.1 million for the three months ended June 30, 2024, representing an increase of \$18.7 million, or 29.6%. The increase in revenue was primarily due to increased average rent rates, and 18 additional operating communities acquired during 2024 and 2025 (including one unoccupied community).

Management fee revenue for the three months ended June 30, 2025 increased by \$0.4 million as compared to the three months ended June 30, 2024, primarily as a result of managing one more third-party community as compared to prior period.

Managed community reimbursement revenue for the three months ended June 30, 2025 was \$10.5 million as compared to \$6.4 million for the three months ended June 30, 2024, representing an increase of \$4.1 million, or 64.1%. The increase was primarily a result of managing one more third-party community as compared to prior period.

Expenses

Operating expenses for the three months ended June 30, 2025 were \$61.4 million as compared to \$46.0 million for the three months ended June 30, 2024, representing an increase of \$15.4 million, or 33.5%. The increase was attributable to \$12.5 million in operating expenses related to the 18 additional communities acquired during 2024 and 2025 (including one unoccupied community acquired on December 31, 2024), and an increase of \$2.9 million in operating expenses related to the remaining owned communities, driven by a \$2.2 million increase in labor and \$0.7 million increase in other operating expenses.

General and administrative expenses for the three months ended June 30, 2025 were \$9.7 million as compared to \$8.7 million for the three months ended June 30, 2024, representing an increase of \$1.0 million. The increase was primarily a result of an increase in labor and employee related expenses of \$1.7 million to support the Company's growth initiatives, offset by a \$0.7 million decrease in other expenses.

Transaction, transition and restructuring costs were \$0.5 million for the three months ended June 30, 2025 and 2024. The costs include legal, audit, banking and other costs to support the Company's recent debt, restructuring, and investments by the Company.

Managed community reimbursement expense for the three months ended June 30, 2025 was \$10.5 million as compared to \$6.4 million for the three months ended June 30, 2024, representing an increase of \$4.1 million or 64.1%. The increase was primarily a result of managing one more third-party community for the three months ended June 30, 2025 as compared to the prior period.

Interest expense for the three months ended June 30, 2025 was \$9.3 million as compared to \$9.0 million for the three months ended June 30, 2024, representing an increase of \$0.3 million which was primarily due to the incremental borrowings associated with the Company's recent community acquisitions, partially offset by a decrease in the Company's SOFR-based variable rate debt.

Other income for the three months ended June 30, 2025 was \$9.1 million, which included \$8.8 million recognized for gross employee retention credits ("ERC") received from Coronavirus Aid, Relief, and Economic Security ("CARES") Act funding for businesses that had certain employee costs and were effected by the coronavirus pandemic and other income of \$0.3 million.

Six months ended June 30, 2025 as compared to six months ended June 30, 2024

Revenues

Resident revenue for the six months ended June 30, 2025 was \$161.1 million as compared to \$123.8 million for the six months ended June 30, 2024, representing an increase of \$37.3 million, or 30.1%. The increase in revenue was primarily due to increased average rent rates and 18 additional operating communities acquired during 2024 and 2025 (including one unoccupied community).

Management fee revenue for the six months ended June 30, 2025 increased by \$0.9 million as compared to the six months ended June 30, 2024, primarily as a result of managing one more third-party community as compared to the prior period.

Managed community reimbursement revenue for the six months ended June 30, 2025 was \$22.2 million as compared to \$12.5 million for the six months ended June 30, 2024, an increase of \$9.7 million or 77.6%. The increase was primarily a result of managing more communities in the six months ended June 30, 2025 as compared to the prior period.

Expenses

Operating expenses for the six months ended June 30, 2025 were \$121.8 million as compared to \$92.3 million for the six months ended June 30, 2024, representing an increase of \$29.5 million, or 32.0%. The increase was attributable to \$24.0 million in operating expenses related to the 18 additional communities acquired during 2024 and 2025 (including one unoccupied community acquired on December 31, 2024), \$0.6 million for the repositioning communities and an increase of \$4.9 million in operating expenses related to the remaining owned communities, driven by a \$3.3 million increase in labor and \$1.6 million increase in other operating expenses.

General and administrative expenses for the six months ended June 30, 2025 were \$18.2 million as compared to \$15.5 million for the six months ended June 30, 2024, representing an increase of \$2.7 million. The increase was primarily a result of an increase in labor and employee related expenses of \$3.2 million to support the Company's growth initiatives and an increase in stock-based compensation of \$0.4 million, offset by a \$0.9 million decrease in other expenses.

Transaction, transition and restructuring costs were \$1.1 million and \$0.9 million for the six months ended June 30, 2025 and 2024, respectively. The costs include legal, audit, banking, and other costs to support the Company's recent debt, restructuring, and investments by the Company.

Managed community reimbursement expense for the six months ended June 30, 2025 was \$22.2 million as compared to \$12.5 million for the six months ended June 30, 2024, an increase of \$9.7 million or 77.6%. The increase was primarily a result of managing more communities in the six months ended June 30, 2025 as compared to the prior period.

Interest expense for the six months ended June 30, 2025 was \$18.7 million as compared to \$17.6 million for the six months ended June 30, 2024, representing an increase of \$1.1 million which was primarily due to the incremental borrowings associated with the Company's recent community acquisitions, partially offset by a decrease in the Company's SOFR-based variable rate debt.

Gain on extinguishment of debt for the six months ended June 30, 2024 was \$38.1 million and was related to the derecognition of notes payable and liabilities as a result of the transition of legal ownership of two communities to Fannie Mae, the holder of the related non-recourse debt.

Other income for the six months ended June 30, 2025 was \$8.5 million, which included \$8.8 million recognized for gross ERC received from CARES Act funding for businesses that had certain employee costs and were effected by the coronavirus pandemic.

Liquidity and Capital Resources

In addition to \$14.1 million of unrestricted cash as of June 30, 2025, our future liquidity will depend in part upon our operating performance, which will be affected by prevailing economic conditions, and financial, business and other factors, some of which are beyond our control. Principal sources of liquidity are expected to be cash flows from operations, proceeds from our secured Credit Facility, proceeds from equity offerings, including sales of common stock under our ATM sales agreement, proceeds from debt, proceeds from debt refinancings or loan modifications, and proceeds from the sale of owned assets. On April 1, 2024, the Company entered into the At-the-Market Issuance Sales Agreement (the “ATM Sales Agreement”), whereby the Company may sell, at its option, shares of its common stock up to an aggregate offering price of \$75.0 million. During August 2024, the Company entered into its Credit Facility in which borrowing availability is determined based upon the value of the senior living communities securing the Credit Facility. As of June 30, 2025, the Company had outstanding borrowings under its Credit Facility of \$75.0 million and availability of \$32.9 million. These transactions are expected to provide additional financial flexibility for the Company and increase our liquidity position. See “[Note 7–Debt](#)” in the Notes to Condensed Consolidated Financial Statements.

As of June 30, 2025, the majority of our outstanding variable-rate debt obligations were covered by our interest rate caps to better manage our exposure to market risks associated with the fluctuations in variable interest rates associated with our debt.

The Company, from time to time, considers and evaluates financial and capital raising transactions related to its portfolio, including debt financings and refinancings, purchases and sales of assets, equity offerings and other transactions. There can be no assurance that the Company will continue to generate cash flows at or above current levels, or that the Company will be able to obtain the capital necessary to meet the Company's short- and long-term capital requirements.

Recent changes in the current economic environment, and other future changes, could result in decreases in the fair value of assets, slowing of transactions, and the tightening of liquidity and credit markets. These impacts could make securing debt or refinancings for the Company or buyers of the Company's properties more difficult or on terms not acceptable to the Company. The Company's actual liquidity and capital funding requirements depend on numerous factors, including its operating results, its capital expenditures for community investment, and general economic conditions, as well as other factors described in “Item 1A. Risk Factors” of our 2024 Annual Report on Form 10-K filed with the SEC on March 17, 2025.

In summary, the Company's cash flows were as follows (in thousands):

	Six Months Ended June 30,		
	2025	2024	Change
Net cash provided by (used in) operating activities	\$ 12,755	\$ (1,624)	\$ 14,379
Net cash used in investing activities	(37,471)	(42,715)	5,244
Net cash provided by financing activities	19,326	50,372	(31,046)
Increase (decrease) in cash and cash equivalents and restricted cash	<u>\$ (5,390)</u>	<u>\$ 6,033</u>	<u>\$ (11,423)</u>

Operating activities

Net cash provided by operating activities for the six months ended June 30, 2025 was \$12.8 million as compared to net cash used in operating activities of \$1.6 million for the six months ended June 30, 2024. The change of \$14.4 million was primarily due to the improvement in net income inclusive of the non-cash adjustments to earnings and the change in accounts payable and accrued expenses receivable during the six months ended June 30, 2025 compared to the prior year period.

Investing activities

Net cash used in investing activities for the six months ended June 30, 2025 was \$37.5 million, which was primarily due to the acquisition of two new communities of \$22.5 million, and \$15.3 million in ongoing capital improvements combined with select refurbishment projects, as well as refurbishment projects associated with the 2024 acquired communities, partially offset by a return of investment of \$0.4 million in our unconsolidated entity. Net cash used in investing activities of \$42.7 million for the six months ended June 30, 2024 was primarily due to the acquisition of a new community of \$11.1 million, the acquisition of unconsolidated entities of \$22.3 million, and ongoing capital improvements combined with refurbishments at the Company's senior housing communities of \$9.9 million, partially offset by \$0.6 million from the proceeds from the sale of an unencumbered land parcel in January 2024.

Financing activities

Net cash provided by financing activities for the six months ended June 30, 2025 was \$19.3 million primarily due to proceeds from our Credit Facility of \$20.0 million and proceeds from notes payable of \$9.0 million in connection with the Alpharetta acquisition, partially offset by repayments of our Credit Facility of \$5.0 million, dividends paid of \$2.8 million, and repayments of notes payable of \$1.6 million. The net cash provided by financing activities for the six months ended June 30, 2024 was \$50.4 million primarily due to net proceeds received from the issuance of common stock of \$65.1 million and proceeds of \$36.6 million from notes payable, partially offset by repayments of notes payable of \$48.5 and purchases of derivative assets of \$1.9 million.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures***Effectiveness of Controls and Procedures***

The Company's management, with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to the Company's management, including the CEO and CFO as appropriate, to allow timely decisions regarding required disclosure.

Based upon the controls evaluation, procedures evaluation and the material weakness described below and in our Annual Report on Form 10-K, which was filed with the SEC on March 17, 2025, the Company's CEO and CFO have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures are ineffective. We are in the process of remediating the changes in internal controls over financial reporting and implementing a remediation plan as outlined below as of June 30, 2025; however, internal control remediation testing will not be finalized until late 2025.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The Company's system user access controls for certain financial systems, including provisioning and user access review, were not operating effectively. Moreover, the lack of effective user access controls caused insufficient restriction of user and privileged access to our payroll system and data, resulting in a lack of segregation of duties for certain user roles. These control deficiencies could result in a material misstatement of our accounts or disclosures that would not be prevented or detected on a timely basis, and accordingly, we determined that these control deficiencies in aggregate constitute a material weakness.

Other than the changes outlined below, there have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Changes in Internal Controls over Financial Reporting and Remediation Plan

As disclosed in our 2024 Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on March 17, 2025, we identified a material weakness in our internal control over financial reporting, which has not been remediated as of June 30, 2025. We have implemented the following plan for remediation of the material weakness as of June 30, 2025. Control weaknesses are not considered remediated until enhanced internal controls have been operational for a period of time, are tested and management concludes that these controls are operating effectively. We will continue to monitor the effectiveness of our remediation measures in connection with our future assessments of the effectiveness of internal control over financial reporting and disclosure controls and procedures. We will make any changes to the design of our plan and take such other actions that we deem appropriate given the circumstances. We are in the process of implementing our remediation plan and anticipate testing to be completed in late 2025.

- Established a project team to review, evaluate and remediate the material weakness.
- Retained a third-party firm to validate the design of newly implemented controls to remediate the material weakness.
- Restricted user and privileged access to our payroll system to ensure appropriate segregation of duties.
- Further implemented single sign-on user access for key financial systems.
- Enhanced key financial system user access reviews to ensure the completeness and accuracy of users.
- Further reviewed our system user access controls and implemented additional review controls as deemed necessary.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

As discussed in the Notes to the Condensed Consolidated Financial Statements, the Company is from time to time subject to, and is presently involved in, litigation and claims arising in the normal course of its business, which the Company believes are generally comparable to other companies in the senior living and healthcare industries. Most of these claims are believed by management to be covered by insurance, subject to meeting certain deductibles, applicable policy limits, customary reservations of rights by the insurance companies, and the other terms and conditions thereof. Whether or not covered by insurance, these claims, in the opinion of management, based on advice of legal counsel, should not have a material effect on the condensed consolidated financial statements of the Company if determined adversely to the Company.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following information is provided pursuant to Item 703 of Regulation S-K. The information set forth in the table below reflects the common stock purchased by the Company for the quarter ended June 30, 2025:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
April 1 – April 30, 2025	—	—	—	6,570,222
May 1 – May 31, 2025	—	—	—	6,570,222
June 1 – June 30, 2025	—	—	—	6,570,222

⁽¹⁾ Does not include shares withheld to satisfy tax liabilities due upon the vesting of restricted stock, all of which have been reported in Form 4 filings relating to the Company. The average price paid per share for such share withholding is based on the closing price per share on the vesting date of the restricted stock or, if such date is not a trading day, the trading day immediately prior to such vesting date.

On January 22, 2009, the Company’s Board approved a share repurchase program that authorized the Company to purchase up to \$10.0 million of the Company’s common stock. On January 14, 2016, the Company announced that its Board approved a continuation of the share repurchase program. The repurchase program does not obligate the Company to acquire any particular amount of common stock and the share repurchase authorization has no stated expiration date. All shares that have been acquired by the Company under this program were purchased in open-market transactions. The Company may evaluate whether to acquire additional shares of common stock under this program at its discretion and subject to applicable laws and regulations.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following documents are filed as a part of this report. Those exhibits previously filed and incorporated herein by reference are identified below. Exhibits not required for this report have been omitted.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant. (Incorporated by reference to Exhibit 3.1 to the Registration Statement No. 333-33379 on Form S-1/A filed by the Company with the Securities and Exchange Commission on September 8, 1997.)
3.1.1	Amendment to Amended and Restated Certificate of Incorporation of the Registrant. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999, filed by the Company with the Securities and Exchange Commission.)
3.1.2	Second Amendment to Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on December 14, 2020.)
3.1.3	Third Amendment to Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on November 4, 2021.)
3.1.4	Fourth Amendment to Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on November 10, 2021.)
3.1.5	Fifth Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of Sonida Senior Living, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on June 16, 2023.)
3.1.6	Sixth Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of Sonida Senior Living, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on March 22, 2024.)
3.2	Second Amended and Restated Bylaws of the Registrant. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on March 8, 2013.)
3.2.1	Amendment to the Second Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on November 10, 2021.)
3.2.2	Second Amendment to the Second Amended and Restated Bylaws of Registrant. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on March 27, 2024.)
3.3	Certificate of Designation, Rights and Privileges of Series A Convertible Preferred Stock, par value \$0.01, of the Company (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on November 4, 2021.)
10.1*†	Form of Performance Stock Unit Award Under the Sonida Senior Living, Inc. 2019 Omnibus Stock and Incentive Plan, as amended
10.2*†	Form of Restricted Stock Unit Award Under the Sonida Senior Living, Inc. 2019 Omnibus Stock and Incentive Plan, as amended
10.3*†	Form of Outside Director's Restricted Stock Unit Award Under the Sonida Senior Living, Inc. 2019 Omnibus Stock and Incentive Plan, as amended
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2*	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following materials from the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2025 formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Statements of Operations, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Shareholders' Equity and (v) related notes.

104*	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
*	Filed herewith.
†	This exhibit constitutes a management contract or compensatory plan, contract, or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sonida Senior Living, Inc.
(Registrant)

By: /s/ BRANDON M. RIBAR
Brandon M. Ribar
President, Chief Executive Officer and Director
(Principal Executive Officer)
Date: August 11, 2025

By: /s/ KEVIN J. DETZ
Kevin J. Detz
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
Date: August 11, 2025

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Form of PSU Award Agreement

PERFORMANCE STOCK UNIT AWARD PURSUANT TO THE SONIDA SENIOR LIVING, INC. 2019 OMNIBUS STOCK AND INCENTIVE PLAN

Effective as of _____, 202__ (the “**Date of Grant**”), a **PERFORMANCE STOCK UNIT AWARD** (the “**Award**”) is hereby granted and issued by Sonida Senior Living, Inc. (the “**Company**”) to _____ (the “**Holder**”). This Award is in all respects subject to the terms, definitions and provisions, of the 2019 Omnibus Stock and Incentive Plan For Sonida Senior Living, Inc. (as the same may be amended, restated, supplemented or modified, the “**Plan**”), and all of which are incorporated herein by reference, except to the extent otherwise expressly provided in this Award. Capitalized terms used and not defined in this Award have the respective meanings assigned to them in the Plan.

1. **Grant of PSUs.** Pursuant and subject to the terms of this Award and the Plan, the Company hereby grants and issues to the Holder, effective as of the Date of Grant, an award of Performance Stock Units (each a “**PSU**”), with the number of PSUs covered by this Award equal to the Target Number of PSUs specified on Schedule I attached hereto (the “**Target Number of PSUs**”). The total number of PSUs that may be earned pursuant to this Award shall range from 0% to 150%, inclusive, of the Target Number of PSUs depending on the extent to which the performance vesting conditions set forth on Schedule I hereto (the “**Performance Vesting Conditions**”) are satisfied during the Performance Period (as defined on Schedule I). Each PSU represents the unfunded, unsecured contractual right to receive one (1) share of Common Stock upon vesting and settlement of the PSU.

2. **Vesting of PSUs.**

(a) The PSUs shall be one hundred percent (100%) unvested as of the Date of Grant. If the Holder remains in continuous service with the Company or any of its Subsidiaries from the Date of Grant until the date (the “**Vesting Date**”) on which the Committee certifies achievement of the Performance Vesting Conditions, the number of PSUs that will become earned and vested on the Vesting Date will be equal to (i) the Payout Percentage (as defined on Schedule I) *multiplied by* (ii) the Target Number of PSUs.

(b) If the Holder’s continuous service with the Company and its Subsidiaries ends before the Vesting Date due to the Holder’s death or Disability, then 100% of the Target Number of PSUs will immediately become earned and vested.

3. **Change in Control.**

(a) If a Change in Control occurs while this Award is outstanding then, immediately prior to such Change in Control the Holder will be deemed to have earned a number of PSUs (the “**Deemed Earned PSUs**”) equal to the greater of (i) the Target Number of PSUs or (ii) the product of (A) the Payout Percentage (as defined in Schedule I) as calculated by the Committee (as constituted as of immediately prior to the Change in Control) assuming that the Performance Period (as defined in Schedule I hereto) ended on the date immediately before the date of such Change in Control, with Performance Vesting Conditions adjusted by the Committee as appropriate to account for such shortened Performance Period, and (B) the Target Number of PSUs. Any PSUs covered by this Award do not become Deemed Earned PSUs immediately prior to a Change in Control will be forfeited and cancelled without consideration upon the occurrence of the Change in Control. The Deemed Earned PSUs will remain outstanding and will vest on the third (3rd) anniversary of the Date of Grant, subject to the Holder remaining in continuous service with the Company or any of its Subsidiaries until such date; *provided, however*, that (x) if the Holder incurs a Good Leaver Termination (as defined below) during the

Change in Control Protection Period (as defined below), the Deemed Earned PSUs will immediately and fully vest on the date of such Good Leaver Termination (or, if later, the Change in Control), (y) if the Holder's continuous service with the Company and its Subsidiaries ends on or after the date of such Change in Control and before third (3rd) anniversary of the Date of Grant due to the Holder's death or Disability, then 100% of the Deemed Earned PSUs will immediately become vested, and (z) if the Committee has not provided for the substitution, assumption, exchange or other continuation of the Award in connection with such Change in Control, the Deemed Earned PSUs will vest immediately prior to such Change in Control.

(b) For avoidance of doubt, if the Holder incurs a Good Leaver Termination within six (6) months before the date on which a Change in Control occurs, the PSUs covered by this Award will remain outstanding and the Holder will earn and vest in the number of PSUs that would have become earned and vested pursuant to this Section 3 had the Holder (i) remained in continuous service with the Company until the date of such Change in Control and (ii) incurred a Good Leaver Termination immediately upon such Change in Control.

(c) For purposes of this Section 3:

(i) **"Cause"** means (A) a final, non-appealable conviction of the Holder for commission of a felony involving moral turpitude, (B) the Holder's willful gross misconduct that causes material economic harm to the Company or that brings substantial discredit and material harm to the Company's reputation, or (C) the Holder's willful failure or refusal to perform his or her duties if the Holder has failed to cure such failure or refusal to perform within thirty (30) days after the Company notifies the Holder in writing of such failure or refusal to perform.

(ii) **"Change in Control Protection Period"** means the period that begins six (6) months before a Change in Control and ends on the third (3rd) anniversary of the Date of Grant.

(iii) **"Good Leaver Termination"** means the Holder's involuntary termination without Cause or voluntary resignation for Good Reason.

(iv) **"Good Reason"** means any of the following events if the event is effected by the Company or a Subsidiary without the consent of the Holder: (A) a change in the Holder's position with the Company or a Subsidiary which materially reduces the Holder's level of responsibility; (B) a material breach by the Company or any Subsidiary of the terms of any material written agreement with the Holder; (C) a material diminution in the Holder's title, authority, duties or responsibilities; or (D) a relocation of the Holder's principal place of employment by more than twenty-five (25) miles; *provided, however*, that the Holder must notify the Company within ninety (90) days of the occurrence of any of the foregoing events that the Holder considers to be a "Good Reason" event, and provide the Company with at least thirty (30) days in which to cure the condition. If the Holder fails to provide this notice and cure period prior to the Holder's resignation, or resigns more than six (6) months after the initial existence of the condition, the Holder's resignation will be deemed not to be for "Good Reason."

4. **Forfeiture**. Except as otherwise provided in Section 2(b) or Section 3, if the Holder's continuous service with the Company and its Subsidiaries ends for any reason before the Vesting Date, all PSUs covered by this Award will be cancelled and forfeited without consideration.

5. **Dividends; Rights as Stockholder**. If the Company pays a cash dividend in respect of its outstanding Common Stock and, on the record date for such dividend, the Holder holds PSUs granted pursuant to this Award that have not vested and been settled in accordance with Section 6, the Company shall notionally credit to an account maintained by the Company for the Holder's benefit an amount equal to the cash dividends the Holder would have received if the Holder were the holder of record, as of such record date, of the number of shares of Common

Stock related to the portion of the PSUs that have not been settled or forfeited as of such record date; *provided* that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and shall be held uninvested and without interest and paid in cash at the same time that the shares of Common Stock underlying the PSUs are delivered to the Holder in accordance with the provisions hereof or, if later, the date on which such cash dividend is paid to stockholders of the Company. Except as otherwise provided herein, the Holder shall have no rights as a stockholder with respect to any shares of Common Stock covered by any PSU unless and until the Holder has become the holder of record of such shares.

6. **Settlement of Earned and Vested PSUs.** As soon as practicable following the date on which a PSU becomes earned and vested pursuant to this Award, the Company shall issue to the Holder one (1) share of Common Stock in settlement of such earned and vested PSU. In connection with the issuance of a share of Common Stock pursuant to this Section 6, the Company, in its discretion, shall instruct its transfer agent to issue and deliver to the Holder (or, if applicable, to the legal representative of the estate of the Holder) evidence of book-entry or a certificate for such share of Common Stock (which may be through an on-line or electronic system). Upon and following the settlement of any PSUs in shares of Common Stock, the Holder shall have all the rights of a stockholder of the Company with respect to such shares of Common Stock, including the right to vote such shares, to receive and retain all dividends as the Board may, in its sole discretion, pay on such shares, and to exercise all of the rights, powers and privileges of a holder of Common Stock with respect to such shares.

7. **Withholding.** As set forth in Section 14.3 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Holder to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with this this Award and the vesting and settlement of any PSUs covered by this Award.

8. **Administration of Award.** The determinations under, and the interpretations of, any provision of this Award by the Committee shall, in all cases, be in its sole discretion, and shall be final and conclusive.

9. **No Transfers Permitted.** The Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Holder, and any shares of Common Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (a) the PSUs have become earned and vested as provided in this Agreement and (b) the Shares have been settled and issued to the Holder in accordance with the terms of the Plan and this Award.

10. **Compliance with Laws.** The grant of PSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the PSUs or any shares of Common Stock pursuant to this Award if any such issuance would violate any such requirements. As a condition to the settlement of the PSUs, the Company may require the Holder to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

11. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the PSUs granted pursuant to this Award are intended to be exempt from the applicable requirements of Section 409A of the Code and regulations issues thereunder (the “**Nonqualified Deferred Compensation Rules**”) and shall be limited, construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the PSUs may not be

exempt from the Nonqualified Deferred Compensation Rules, then, if the Holder is deemed to be a “specified employee” within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Holder becomes eligible for settlement of the PSUs upon his or her “separation from service” within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six (6) months following the Holder’s separation from service and (b) the Holder’s death.

12. **Claw-Back**. If Holder is covered under the Company’s Company Recovery Policy (as the same may be amended or restated, the “**Claw-Back Policy**”) and/or the Company’s Supplemental Compensation Recovery Policy (as the same may be amended or restated, the “**Supplemental Claw-Back Policy**”), the PSUs, any shares of Common Stock issued in settlement of the PSUs, and any proceeds, gains or other economic benefit actually or constructively received by Holder upon the sale of any such shares of Common Stock shall be subject to the provisions of, as applicable, (i) the Claw-Policy and/or the Supplemental Claw-Back Policy.

13. **Interpretation**. If any provision of this Award is held invalid for any reason, such holding shall not affect the remaining provisions hereof, but instead the Award shall be construed and enforced as if such provision had never been included in the Award.

14. **Consent to Electronic Delivery; Electronic Signature**. In lieu of receiving documents in paper format, the Holder, by accepting this Award, agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Holder has access. The Holder, by accepting this Award, hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

15. **Transfer of Personal Data**. The Holder authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary or Affiliate of the Company) of any personal data information related to the PSUs awarded under this Award for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Holder.

16. **No Right to Employment or Service**. Nothing in this Award shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Holder’s continuous service at any time, for any reason and with or without Cause.

17. **Governing Law**. All questions concerning the construction, validity and interpretation of this Award shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

18. **Counterparts**. This Award may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Electronic acceptance and signatures shall have the same force and effect as original signatures.

19. **No Acquired Rights**. The Holder acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of PSUs made under this Award is

completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the PSUs awarded hereunder) give the Holder any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Award are not part of the Holder’s ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

20. **Entire Agreement; Amendment.** This Award and the Plan contain the entire agreement between the parties hereto with respect to this Award, and supersede all prior agreements or prior understandings, whether written or oral, between the Company and the Holder relating to this Award; *provided, however*, that the terms of this Award shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or a Subsidiary of the Company) and the Holder in effect as of the date a determination is to be made under this Award. This Award may be modified or amended by a writing signed by both the Company and the Holder.

21. **Construction.** Headings contained in this Award are for convenience only and shall in no manner be construed as part of this Award. Any reference to the masculine, feminine, or neuter gender shall be a reference to such other gender as is appropriate.

{Signature page follows}

Dated: [Date of Grant]

SONIDA SENIOR LIVING, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

The undersigned hereby acknowledges (i) my receipt of this Award and the Plan, (ii) my opportunity to discuss this Award with a representative of the Company, and my personal advisors, to the extent I deem necessary or appropriate, (iii) my understanding of the terms and provisions of this Award, and (iv) my understanding that, by my signature below, I am agreeing to be bound by all of the terms and provisions of this Award.

Without limitation, I agree to accept as binding, conclusive and final all decisions or interpretations of the Committee (as defined in the Plan) upon any questions arising under this Award or the Plan.

Dated: [Date of Signature]

HOLDER

Name:

{Signature Page to Performance Stock Unit Award Agreement}

SCHEDULE I PERFORMANCE MEASURE

The number of PSUs (if any) that shall become earned and vested PSUs in accordance with the Award shall be that number of PSUs equal to (a) the Payout Percentage (as defined below) multiplied by (b) the Target Number of PSUs.

Target Number of PSUs = [] PSUs

Payout Percentage

The Payout Percentage will be determined based on a measure of the cumulative Adjusted Return on Equity (“ROE”) achieved in total during the years of 2025, 2026, and 2027 (“Performance Period”) compared to the Target for that same Performance Period, as follows:

Performance Period – 2025-2027				
Achievement Level	Adjusted Return on Equity	Cumulative Adjusted FCF ⁽¹⁾	Capital Base ⁽²⁾	Payout Percentage of Target
Maximum	6.0%	26,390,638	442,253,014	150%
Target	4.6%	20,390,638	442,253,014	100%
Threshold	3.3%	14,390,638	442,253,014	50%

- (1) Cumulative Adjusted Free Cash Flow (“Adjusted FCF”) is defined as Net Income plus certain non-cash items, including amortization and depreciation and stock compensation, less recurring and manageable capital expenditures. Adjusted FCF shall be the total company result, not same store, and shall include the impact of acquisitions and divestures. The Committee shall use its discretion to determine how and when to incorporate non-same store Adjusted FCF, including taking into consideration non-same store performance against the underwritten plan. Adjusted FCF shall be adjusted at the Committee’s discretion to exclude non-recurring items. For purposes of this Award, “same store” shall include all communities owned or managed on January 1, 2025.
- (2) If additional capital is raised during the three-year Performance Period, the Committee will consider an appropriate time lag, as determined by the Committee in its discretion, when adding such capital to the Capital Base roll forward calculation. The lag will seek to account for the time it would take to deploy the capital to generate Adjusted FCF, taking into account all surrounding circumstances of the capital raise and M&A goals.

The overall actual achievement for the Performance Period will be determined using the following calculation, if performance for any metric is greater than “threshold” and less than “target”, or greater than “target” and less than “maximum”, then the Payout Percentage shall be determined based on linear interpolation between the applicable achievement levels. The Payout Percentage shall be capped at 150%. For the avoidance of doubt, if performance is below “threshold”, then the Payout Percentage shall be zero. The Committee shall certify performance results on or before April 15 immediately following the end of the Performance Period.

{Schedule I to Performance Stock Unit Award Agreement}

Form of RSU Award Agreement (Employee Form)

RESTRICTED STOCK UNIT AWARD
PURSUANT TO THE
SONIDA SENIOR LIVING, INC. 2019 OMNIBUS STOCK AND INCENTIVE PLAN

Effective as of _____, 202__ (the “Date of Grant”), a RESTRICTED STOCK UNIT AWARD (the “Award”) is hereby granted and issued by Sonida Senior Living, Inc. (the “Company”) to _____ (the “Holder”). This Award is in all respects subject to the terms, definitions and provisions, of the 2019 Omnibus Stock and Incentive Plan For Sonida Senior Living, Inc. (as the same may be amended, restated, supplemented or modified, the “Plan”), and all of which are incorporated herein by reference, except to the extent otherwise expressly provided in this Award. Capitalized terms used and not defined in this Award have the respective meanings assigned to them in the Plan.

1. **Grant of RSUs.** Pursuant and subject to the terms of this Award and the Plan, the Company hereby grants and issues to the Holder, effective as of the Date of Grant, an award of _____ Restricted Stock Units (each an “RSU” and, collectively, the

“**Awarded RSUs**”). Each RSU represents the unfunded, unsecured contractual right to receive one (1) share of Common Stock upon vesting and settlement of the RSU.

2. **Vesting of RSUs.**

(a) Subject to earlier vesting as provided in Section 2(b) or Section 3, the Awarded RSUs shall vest (i) 33.33% on the first (1st) anniversary of the Date of Grant, (ii) 33.33% on the second (2nd) anniversary of the Date of Grant, and (iii) 33.34% on the third (3rd) anniversary of the Date of Grant, in each case subject to the Holder remaining in continuous service with the Company or any of its Subsidiaries from the Date of Grant until the applicable vesting date.

(b) If the Holder’s continuous service with the Company and its Subsidiaries ends due to the Holder’s death, Disability or Retirement, then 100% of the Awarded RSUs will immediately become vested.

3. **Change in Control.**

(a) Unvested Awarded RSUs will not automatically vest upon a Change in Control, but will remain outstanding and will continue to vest in accordance with Section 2(a) or Section 2(b), as applicable; *provided, however*, that (x) if the Holder incurs a Good Leaver Termination (as defined below) during the Change in Control Protection Period (as defined below), all then-unvested Awarded RSUs will immediately and fully vest on the date of such Good Leaver Termination (or, if later, the Change in Control), and (y) if the Committee has not provided for the substitution, assumption, exchange or other continuation of the unvested Awarded RSUs in connection with such Change in Control, all unvested Awarded RSUs will vest immediately prior to such Change in Control.

(b) For avoidance of doubt, if the Holder incurs a Good Leaver Termination within six (6) months before the date on which a Change in Control occurs, the unvested Awarded RSUs as of the date of such Good Leaver Termination will remain outstanding and such unvested Awarded RSUs will vest in full immediately upon such Change in Control.

(c) For purposes of this Section 3:

(i) **“Cause”** means (A) a final, non-appealable conviction of the Holder for commission of a felony involving moral turpitude, (B) the Holder’s willful gross misconduct that causes material economic harm to the Company or that brings substantial discredit and material harm to the Company’s reputation, or (C) the Holder’s willful failure or refusal to perform his or her duties if the Holder has failed to cure such failure or refusal to perform within thirty (30) days after the Company notifies the Holder in writing of such failure or refusal to perform.

(ii) **“Change in Control Protection Period”** means the period that begins six (6) months before a Change in Control and ends on the third (3rd) anniversary of the Date of Grant.

(iii) **“Good Leaver Termination”** means the Holder’s involuntary termination without Cause or voluntary resignation for Good Reason.

(iv) **“Good Reason”** means any of the following events if the event is effected by the Company or a Subsidiary without the consent of the Holder: (A) a change in the Holder’s position with the Company or a Subsidiary which materially reduces the Holder’s level of responsibility; (B) a material breach by the Company or any Subsidiary of the terms of any material written agreement with the Holder; (C) a material diminution in the Holder’s title, authority, duties or responsibilities; or (D) a relocation of the Holder’s principal place of employment by more than twenty-five (25) miles; *provided, however*, that the Holder must notify the Company within ninety (90) days of the occurrence of any of the foregoing events that the Holder considers to be a “Good Reason” event, and provide the Company with at least thirty (30) days in which to cure the condition. If the Holder fails to provide this notice and cure period prior to the Holder’s resignation, or resigns more than six (6) months after the initial existence of the condition, the Holder’s resignation will be deemed not to be for “Good Reason.”

4. **Forfeiture.** Except as otherwise provided in Section 2(b) or Section 3, all unvested RSUs covered by this Award will be cancelled and forfeited without consideration upon the date that the Holder’s continuous service with the Company and its Subsidiaries ends for any reason.

5. **Dividends; Rights as Stockholder.** If the Company pays a cash dividend in respect of its outstanding Common Stock and, on the record date for such dividend, the Holder holds RSUs granted pursuant to this Award that have not vested and been settled in accordance with Section 6, the Company shall notionally credit to an account maintained by the Company for the Holder’s benefit an amount equal to the cash dividends the Holder would have received if the Holder were the holder of record, as of such record date, of the number of shares of Common Stock related to the portion of the RSUs that have not been settled or forfeited as of such record date; *provided* that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and shall be held uninvested and without interest and paid in cash at the same time that the shares of Common Stock underlying the RSUs are delivered to the Holder in accordance with the provisions hereof or, if later, the date on which such cash dividend is paid to stockholders of the Company. Except as otherwise provided herein, the Holder shall have no rights as a stockholder with respect to any shares of Common Stock covered by any RSU unless and until the Holder has become the holder of record of such shares.

6. **Settlement of Vested RSUs.** As soon as practicable following the date on which a RSU becomes vested pursuant to this Award, the Company shall issue to the Holder one (1) share of Common Stock in settlement of such vested RSU. In connection with the issuance of a share of Common Stock pursuant to this Section 6, the Company, in its discretion, shall instruct its transfer agent to issue and deliver to the Holder (or, if applicable, to the legal representative of the estate of the Holder) evidence of book-entry or a certificate for such share of Common Stock (which may be through an on-line or electronic system). Upon and following the settlement of

any RSUs in shares of Common Stock, the Holder shall have all the rights of a stockholder of the Company with respect to such shares of Common Stock, including the right to vote such shares, to receive and retain all dividends as the Board may, in its sole discretion, pay on such shares, and to exercise all of the rights, powers and privileges of a holder of Common Stock with respect to such shares.

7. **Withholding**. As set forth in Section 14.3 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Holder to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with this this Award and the vesting and settlement of any RSUs covered by this Award.

8. **Administration of Award**. The determinations under, and the interpretations of, any provision of this Award by the Committee shall, in all cases, be in its sole discretion, and shall be final and conclusive.

9. **No Transfers Permitted**. The Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Holder, and any shares of Common Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (a) the RSUs have become vested as provided in this Agreement and (b) the Shares have been settled and issued to the Holder in accordance with the terms of the Plan and this Award.

10. **Compliance with Laws**. The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any shares of Common Stock pursuant to this Award if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Holder to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

11. **Section 409A**. Notwithstanding anything herein or in the Plan to the contrary, the RSUs granted pursuant to this Award are intended to be exempt from the applicable requirements of Section 409A of the Code and regulations issues thereunder (the “**Nonqualified Deferred Compensation Rules**”) and shall be limited, construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the RSUs may not be exempt from the Nonqualified Deferred Compensation Rules, then, if the Holder is deemed to be a “specified employee” within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Holder becomes eligible for settlement of the RSUs upon his or her “separation from service” within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be

delayed until the earlier of: (a) the date that is six (6) months following the Holder's separation from service and (b) the Holder's death.

12. **Interpretation.** If any provision of this Award is held invalid for any reason, such holding shall not affect the remaining provisions hereof, but instead the Award shall be construed and enforced as if such provision had never been included in the Award.

13. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Holder, by accepting this Award, agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Holder has access. The Holder, by accepting this Award, hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

14. **Transfer of Personal Data.** The Holder authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary or Affiliate of the Company) of any personal data information related to the RSUs awarded under this Award for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Holder.

15. **No Right to Employment or Service.** Nothing in this Award shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Holder's continuous service at any time, for any reason and with or without Cause.

16. **Governing Law.** All questions concerning the construction, validity and interpretation of this Award shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

17. **Counterparts.** This Award may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Electronic acceptance and signatures shall have the same force and effect as original signatures.

18. **No Acquired Rights.** The Holder acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of RSUs made under this Award is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Holder any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Award are not part of the Holder's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

19. **Entire Agreement; Amendment.** This Award and the Plan contain the entire agreement between the parties hereto with respect to this Award, and supersede all prior agreements or prior understandings, whether written or oral, between the Company and the Holder relating to this Award; *provided, however*, that the terms of this Award shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or a Subsidiary of the Company) and the Holder in effect as of the date a

determination is to be made under this Award. This Award may be modified or amended by a writing signed by both the Company and the Holder.

20. **Construction.** Headings contained in this Award are for convenience only and shall in no manner be construed as part of this Award. Any reference to the masculine, feminine, or neuter gender shall be a reference to such other gender as is appropriate.

{Signature page follows}

Dated: [Date of Grant]

SONIDA SENIOR LIVING, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

The undersigned hereby acknowledges (i) my receipt of this Award and the Plan, (ii) my opportunity to discuss this Award with a representative of the Company, and my personal advisors, to the extent I deem necessary or appropriate, (iii) my understanding of the terms and provisions of this Award, and (iv) my understanding that, by my signature below, I am agreeing to be bound by all of the terms and provisions of this Award.

Without limitation, I agree to accept as binding, conclusive and final all decisions or interpretations of the Committee (as defined in the Plan) upon any questions arising under this Award or the Plan.

Dated: [Date of Signature]

Holder

Name:

{Signature Page to Restricted Stock Unit Award Agreement}

Form of RSU Award Agreement (Director Form)

**RESTRICTED STOCK UNIT AWARD
PURSUANT TO THE
SONIDA SENIOR LIVING, INC. 2019 OMNIBUS STOCK AND INCENTIVE PLAN**

Effective as of _____, 202__ (the “**Date of Grant**”), a **RESTRICTED STOCK UNIT AWARD** (the “**Award**”) is hereby granted and issued by Sonida Senior Living, Inc. (the “**Company**”) to _____ (the “**Director**”). This Award is in all respects subject to the terms, definitions and provisions, of the 2019 Omnibus Stock and Incentive Plan For Sonida Senior Living, Inc. (as the same may be amended, restated, supplemented or modified, the “**Plan**”), and all of which are incorporated herein by reference, except to the extent otherwise expressly provided in this Award. Capitalized terms used and not defined in this Award have the respective meanings assigned to them in the Plan.

1. **Grant of RSUs.** Pursuant and subject to the terms of this Award and the Plan, the Company hereby grants and issues to the Director, effective as of the Date of Grant, an award of _____ Restricted Stock Units (each an “**RSU**” and, collectively, the “**Awarded RSUs**”). Each RSU represents the unfunded, unsecured contractual right to receive one (1) share of Common Stock upon vesting and settlement of the RSU.
2. **Vesting of RSUs.**

(a) Subject to earlier vesting as provided in Section 2(b), 100% of the Awarded RSUs shall vest on the earlier of (i) the first (1st) anniversary of the Date of Grant or (ii) immediately prior to the occurrence of a Change in Control, subject to the Director continuing as a member of Company’s Board of Directors (the “**Board**”) from the Date of Grant until such time.

(b) If the Director ceases to be a member of the Board due to the Director’s death, Disability or Retirement, then 100% of the Awarded RSUs will immediately become vested.

3. **Forfeiture**. Except as otherwise provided in Section 2(b), all unvested RSUs covered by this Award will be cancelled and forfeited without consideration upon the date that the Director ceases for any reason to be a member of the Board.

4. **Dividends; Rights as Stockholder**. If the Company pays a cash dividend in respect of its outstanding Common Stock and, on the record date for such dividend, the Director holds RSUs granted pursuant to this Award that have not vested and been settled in accordance with Section 5, the Company shall notionally credit to an account maintained by the Company for the Director's benefit an amount equal to the cash dividends the Director would have received if the Director were the Director of record, as of such record date, of the number of shares of Common Stock related to the portion of the RSUs that have not been settled or forfeited as of such record date; *provided* that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and shall be held uninvested and without interest and paid in cash at the same time that the shares of Common Stock underlying the RSUs are delivered to the Director in accordance with the provisions hereof or, if later, the date on which such cash dividend is paid to stockholders of the Company. Except as otherwise provided herein, the Director shall have no rights as a stockholder with respect to any shares of Common Stock covered by any RSU unless and until the Director has become the Director of record of such shares.

5. **Settlement of Vested RSUs**. As soon as practicable following the date on which a RSU becomes vested pursuant to this Award, the Company shall issue to the Director one (1) share of Common Stock in settlement of such vested RSU. In connection with the issuance of a share of

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Common Stock pursuant to this Section 5, the Company, in its discretion, shall instruct its transfer agent to issue and deliver to the Director (or, if applicable, to the legal representative of the estate of the Director) evidence of book-entry or a certificate for such share of Common Stock (which may be through an on-line or electronic system). Upon and following the settlement of any RSUs in shares of Common Stock, the Director shall have all the rights of a stockholder of the Company with respect to such shares of Common Stock, including the right to vote such shares, to receive and retain all dividends as the Board may, in its sole discretion, pay on such shares, and to exercise all of the rights, powers and privileges of a holder of Common Stock with respect to such shares.

6. **Administration of Award.** The determinations under, and the interpretations of, any provision of this Award by the Committee shall, in all cases, be in its sole discretion, and shall be final and conclusive.

7. **No Transfers Permitted.** The Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Director, and any shares of Common Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (a) the RSUs have become vested as provided in this Agreement and (b) the Shares have been settled and issued to the Director in accordance with the terms of the Plan and this Award.

8. **Compliance with Laws.** The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any shares of Common Stock pursuant to this Award if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Director to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

9. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs granted pursuant to this Award are intended to be exempt from the applicable requirements of Section 409A of the Code and regulations issues thereunder (the “**Nonqualified Deferred Compensation Rules**”) and shall be limited, construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the RSUs may not be exempt from the Nonqualified Deferred Compensation Rules, then, if the Director is deemed to be a “specified employee” within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Director becomes eligible for settlement of the RSUs upon his or her “separation from service” within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six (6) months following the Director’s separation from service and (b) the Director’s death.

10. **Interpretation.** If any provision of this Award is held invalid for any reason, such holding shall not affect the remaining provisions hereof, but instead the Award shall be construed and enforced as if such provision had never been included in the Award.

11. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Director, by accepting this Award, agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver

(including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Director has access. The Director, by accepting this Award, hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

12. **Transfer of Personal Data.** The Director authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary or Affiliate of the Company) of any personal data information related to the RSUs awarded under this Award for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Director.

13. **Governing Law.** All questions concerning the construction, validity and interpretation of this Award shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

14. **Counterparts.** This Award may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Electronic acceptance and signatures shall have the same force and effect as original signatures.

15. **Entire Agreement; Amendment.** This Award and the Plan contain the entire agreement between the parties hereto with respect to this Award, and supersede all prior agreements or prior understandings, whether written or oral, between the Company and the Director relating to this Award; *provided, however*, that the terms of this Award shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or a Subsidiary of the Company) and the Director in effect as of the date a determination is to be made under this Award. This Award may be modified or amended by a writing signed by both the Company and the Director.

16. **Construction.** Headings contained in this Award are for convenience only and shall in no manner be construed as part of this Award. Any reference to the masculine, feminine, or neuter gender shall be a reference to such other gender as is appropriate.

{Signature page follows}

Dated: [Date of Grant]

SONIDA SENIOR LIVING, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

The undersigned hereby acknowledges (i) my receipt of this Award and the Plan, (ii) my opportunity to discuss this Award with a representative of the Company, and my personal advisors, to the extent I deem necessary or appropriate, (iii) my understanding of the terms and provisions of this Award, and (iv) my understanding that, by my signature below, I am agreeing to be bound by all of the terms and provisions of this Award.

Without limitation, I agree to accept as binding, conclusive and final all decisions or interpretations of the Committee (as defined in the Plan) upon any questions arising under this Award or the Plan.

Dated: [Date of Signature]

DIRECTOR

Name:

{Signature Page to Restricted Stock Unit Award Agreement}

EXHIBIT 31.1

SONIDA SENIOR LIVING, INC.

CERTIFICATIONS

I, Brandon M. Ribar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonida Senior Living, Inc. (“Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to

materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ BRANDON M. RIBAR

Brandon M. Ribar

President and Chief Executive Officer

(Principal Executive Officer)

August 11, 2025

EXHIBIT 31.2

SONIDA SENIOR LIVING, INC.

CERTIFICATIONS

I, Kevin J. Detz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonida Senior Living, Inc. ("Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ KEVIN J. DETZ

Kevin J. Detz

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

August 11, 2025

EXHIBIT 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report of Sonida Senior Living, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brandon M. Ribar, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
- 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ BRANDON M. RIBAR
Brandon M. Ribar
President and Chief Executive Officer
(Principal Executive Officer)
August 11, 2025

EXHIBIT 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report of Sonida Senior Living, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin J. Detz, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
- 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ KEVIN J. DETZ
Kevin J. Detz
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
August 11, 2025