



NEWS RELEASE

Sonida Announces Planned Acquisition of High-Quality, Eight-Asset Senior Housing Portfolio Located in Florida and South Carolina for \$103 Million

8/15/2024

Portfolio will continue to strengthen Sonida's asset mix with the addition of newer vintage, high-quality real estate at significant discounts to replacement cost

Solidifies presence in the Southeast in submarkets with strong demographic tailwinds and limited supply growth

New planned acquisition, combined with recently closed acquisitions, will total 17 communities added to Sonida's owned senior living portfolio in 2024

DALLAS--(BUSINESS WIRE)-- Sonida Senior Living, Inc. ("Sonida" or the "Company") (NYSE: SNDA), a leading owner, operator and investor in communities and services for seniors, today announced that the Company is under contract to acquire eight senior living communities strategically located in attractive submarkets within the Southeast. This transaction further densifies the Company's footprint in northern Florida and South Carolina and creates operating efficiencies given the meaningful regional scale. The transaction includes 555 units with Assisted Living and Memory Care offerings.

"With Sonida's multi-faceted sourcing channels, we continue to identify accretive investment opportunities and firmly execute on our focused external growth strategy," said Brandon Ribar, President and Chief Executive Officer. "With this planned acquisition, Sonida will further broaden its high-quality and regionally-focused real estate

portfolio with newer vintage communities in mid-to-large metropolitan areas with favorable growth prospects. By successfully integrating Sonida's best-in-class operating platform into these communities, and with occupancy growth, ongoing rent rate improvement and effective expense management, these investments can ultimately generate meaningful value creation for our shareholders."

The eight communities are located primarily in high growth primary and secondary metropolitan areas: Jacksonville, Orlando and Daytona Beach (Florida); Hilton Head, Charleston and Florence (South Carolina). The portfolio follows Sonida's acquisition strategy, which aims to further upgrade and modernize its portfolio through densification across its current geographic footprint to fully leverage operating scale and efficiencies. The portfolio, with an attractive average asset age of 5 years, compares to an average asset age of 19 years when looking at comparable inventory within a 10-mile radius. The purchase price of \$103 million, or \$185k per unit, reflects a significant discount to the Company's estimate of replacement cost.

The portfolio's in-place occupancy is approximately 83% with an average RevPOR of more than \$6,000. The Company anticipates that multi-year stabilization of net operating income margin should result in an accretive effective cap rate.

As of today, Sonida's total operating portfolio is comprised of 83 communities, inclusive of a new management contract that closed in August. Upon the closing of this acquisition, which is targeted for late Q3 or early Q4, Sonida's total operating portfolio will grow to 91 communities.

Safe Harbor

The forward-looking statements in this press release, including, but not limited to, statements relating to the Company's acquisitions, are subject to certain risks and uncertainties that could cause the Company's actual results and financial condition to differ materially, including, but not limited to the Company's ability to recognize the anticipated benefits of such acquisitions; the impact of such acquisitions on the Company's business; any legal proceedings that may be brought related to such acquisitions; and other risks and factors identified from time to time in the Company's reports filed with the SEC, including 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; increases in 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 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 our 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 controls over financial reporting and remediate the identified material weakness discussed in its recent Quarterly and Annual Reports filed with the SEC; the cost and difficulty of complying with applicable licensure, legislative oversight, or regulatory changes; risks associated with current global economic conditions and general economic factors such as inflation, the consumer price index, commodity costs, fuel and other energy costs, competition in the labor market, costs of salaries, wages, benefits, and insurance, 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; and changes in accounting principles and interpretations.

About Sonida

Dallas-based Sonida Senior Living, Inc. is a leading owner, operator and investor in independent living, assisted living and memory care communities and services for senior adults. The Company provides compassionate, resident-centric services and care as well as engaging programming operating 83 senior housing communities in 20 states with an aggregate capacity of approximately 9,000 residents, including 70 communities which the Company owns (including eight communities in which the Company owns varying interests through two separate joint ventures), and 13 communities that the Company manages on behalf of a third-party.

For more information, visit www.sonidaseniorliving.com or connect with the Company on Facebook, Twitter or LinkedIn.

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