



NEWS RELEASE

# Sonida Provides Summary of Recent Capital Markets and Capital Allocation Activities

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New pending acquisition of eight-asset senior housing portfolio for \$103 million to grow Sonida's total senior living operating portfolio to 91 communities

Raised \$130 million in gross proceeds through upsized public offering of common stock in August 2024 to fund pending acquisitions

\$150 million commitment on new senior secured revolving credit facility to support growth

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 provided a summary on its recent capital markets activity and pending acquisitions.

"On the heels of strong second quarter operating results, which demonstrated ongoing improvement across all key operating metrics, I am equally pleased with the Company's steady execution on both its external accretive growth strategy and associated capital markets initiatives," said Brandon Ribar, President and Chief Executive Officer.

"Amidst historically favorable senior housing trends, Sonida's integrated and well-capitalized operating and investment platform have positioned the Company to confidently invest in high-quality, recently constructed communities at attractive valuations. This strategy, coupled with continued organic growth in our existing portfolio, can drive meaningful value creation for the Company's shareholders. We are very appreciative of the support from

our existing and new equity shareholders and banking relationships, in addition to our invaluable operating teams.”

## Pending Acquisition

On August 15, 2024, Sonida announced that it is under contract to acquire eight senior living communities strategically located in attractive submarkets in the Southeast. This pending transaction will further densify the Company’s footprint in northern Florida and South Carolina and includes 555 units with Assisted Living (“AL”) and Memory Care (“MC”) offerings (approximately 70% AL and 30% MC). The eight communities are located in high growth primary and secondary metropolitan areas: Jacksonville, Orlando and Daytona Beach (Florida); Hilton Head, Charleston and Florence (South Carolina).

These communities will further modernize Sonida’s portfolio and densify its presence in the Southeast, which will allow Sonida to fully leverage its operating scale and drive efficiencies. The eight-asset portfolio, with an attractive average asset age of 5 years, compares favorably to an average asset age of 19 years when looking at comparable inventory within a 10-mile radius.

Sonida’s purchase price of \$102.9 million, or approximately \$185,000 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 and margin should result in free cash flow and Net Asset Value accretion in addition to the noted qualitative benefits to the portfolio.

As of today, Sonida’s total operating portfolio is comprised of 83 communities, 13 of which Sonida manages on behalf of a third-party and is inclusive of a new management contract that closed in August 2024. 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.

For more information, please see the Company’s August 15, 2024 press release [here](#).

## Capital Markets Update – Public Equity Offering

During August 2024, the Company raised \$130.4 million in gross proceeds from its offering of common equity. The Company initially raised \$110.4 million, net of underwriter discounts and offering costs, as it closed on an underwritten public offering of 4,300,000 shares of its common stock, upsized from 4,000,000 shares at launch on August 19, 2024. The price to the public of the offering was \$27.00 per share. As part of the offering, the Company granted the underwriters a 30-day option to purchase up to an additional 15% of the Company’s common shares. On August 22, 2024, underwriters purchased an additional 530,317 shares for incremental proceeds of \$13.6

million, net of underwriter discounts and offering costs. Conversant Capital, the Company's largest shareholder, anchored the raise, purchasing \$50.0 million of shares in the public offering. Sonida intends to use \$102.9 million of the \$124.0 million net proceeds from the offering to fund the purchase price for the pending acquisition of eight senior living communities described above. The Company intends to use the remaining net proceeds from the offering, including net proceeds from the underwriters' exercise of their option to purchase additional shares, for other general corporate purposes.

Morgan Stanley, RBC Capital Markets, LLC and BMO Capital Markets acted as joint lead book-running managers of the offering.

For more information, please see the Company's August 15, 2024, press release [here](#).

### Capital Markets Update – New \$150 Million Senior Secured Revolving Credit Facility

On July 24, 2024, the Company entered into a senior secured revolving credit facility (the "Credit Facility") with BMO Bank N.A. ("BMO Bank"), as administrative agent and a lender. On August 12, 2024, the Company received a commitment letter from the Royal Bank of Canada ("RBC") pursuant to which RBC has committed to provide a revolving credit commitment under the Credit Facility for an additional amount of up to \$75.0 million, which additional commitment is subject to certain customary conditions, including the negotiation and execution of definitive agreements acceptable to Sonida, RBC and BMO Bank, and will result in an aggregate commitment under our Credit Facility of up to \$150.0 million. The Credit Facility has a term of three years, a leverage-based pricing matrix between S+210 and S+260 and is fully recourse to Sonida Senior Living, Inc. and its applicable subsidiaries.

For more information, please see the Company's prospectus supplement filed with the Securities and Exchange Commission (SEC), filed on August 15, 2024 [here](#).

### Loan Modification

On August 5, 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 revised the loan maturities to December 2025 on both communities and provides the Company with an option to make a discounted payoff ("Texas DPO") of the outstanding loan principal on or prior to November 1, 2024. The Texas DPO amount of \$18.5 million represents a discount of 36% on the total principal outstanding of \$28.7 million on these two loans (as of July 31, 2024). The Texas Loan Modification represents the last material restructuring of the Company's debt portfolio, with 58 of 60 loans having been addressed over the past 12 months.

## 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, including our ability to successfully implement integration strategies or achieve expected synergies and operating efficiencies; any legal proceedings that may be brought related to such acquisitions; our projections related to said acquisitions may not materialize as expected; such acquisitions may not be timely completed, if completed at all; 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](http://www.sonidaseniorliving.com) or connect with the Company on **Facebook**, **X** or **LinkedIn**.

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