



Brookdale Improves 2025 Cash Flows by an Expected \$15+ Million through Ventas Lease Amendment with Incremental Upside in 2026 and Beyond

Maintains Operations of High-Performing, Cash Flow Positive, 65 Community Portfolio

Announces Completion of Previously Announced 11 Community Portfolio Acquisition

Nashville, Tenn., December 19, 2024 - Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") today announced that it has entered into mutually beneficial agreements with Ventas, Inc. ("Ventas") to amend its triple-net master lease arrangement.

"I am very pleased to announce another successful lease amendment which is expected to generate a significant increase to Brookdale's near- and long-term cash flows," said Lucinda ("Cindy") Baier, Brookdale's President and CEO. "Through continued active management of our leased portfolios, we have once again demonstrated our commitment to improving our cash flows and creating meaningful shareholder value as we provide valued high-quality care and personalized services to our residents. With the consummation of these transactions, Brookdale is positioned to generate positive cash flow and provide meaningful growth opportunities for years to come. We are grateful that we reached a mutually beneficial agreement with Ventas."

Following this successful lease amendment, the completed closing of the 11 community International JV / Welltower Portfolio, and the expected closings of the remaining previously-announced acquisition of 30 communities from two additional currently leased portfolios, the Company has largely cleared its lease maturities through 2029. After giving effect to these transactions, Brookdale will own over 75% of its consolidated units, marking another significant step in the Company's efforts to increase its owned real estate portfolio, benefiting from the economics of ownership, while substantially improving the cash flow profile and reducing risk associated with its overall leased portfolio.

The Company expects the Ventas lease amendment to provide a \$15+ million improvement to the Company's 2025 cash flows.⁽¹⁾ Beginning in 2026, the Company expects additional cash flow improvement, including continued operating income growth, the benefit of continued appropriate expense management relative to the Company's portfolio size, partially offset by incremental rent expense.

Master Lease Amendment Key Terms

- Beginning January 1, 2026, the Company **will continue to lease** 65 high-performing communities ("renewal portfolio"), with a combined 4,055 units, for an annual base rent of \$64 million under a long-term operating lease.
 - Extended the maturity from December 31, 2025 to December 31, 2035.
 - Unit counts range from 26 to 225 with an average unit count of approximately 62.
 - The annual rent escalator remains unchanged at fixed 3% per annum.
- Ventas has agreed to fund up to \$35 million of capital expenditures through 2027 (at the greater of an 8% rate or the United States 10-Year Treasury Rate plus 3.5%).
- The Company **decided not to renew** the remaining 55 communities ("non-renewal portfolio"), with a combined 6,125 units.
 - The Company's cash flows are expected to improve as a result of the sale or transition of communities in the lower-coverage non-renewal portfolio.
 - For transition communities, allocated rent will terminate upon transition which will occur between September 1, 2025 and December 31, 2025. In all cases, allocated rent under the existing lease for the non-renewal portfolio (totaling \$66 million for 2025) will terminate no later than December 31, 2025.
 - For the trailing twelve months ended September 30, 2024, the non-renewal portfolio generated approximately \$31 million of negative cash flow, after giving effect to rent, actual capital expenditures and allocated general and administrative expense.

Profile of 65 Community Renewal Portfolio

- For the trailing twelve months ended September 30, 2024, the renewal portfolio generated approximately \$8 million of positive cash flow, after giving effect to rent, actual capital expenditures and allocated general and administrative expense.
- Compared to the non-renewal portfolio, for the trailing twelve months ended September 30, 2024 the renewal portfolio had:
 - more than 700 basis points higher weighted average occupancy;
 - over 20% higher RevPOR;
 - over 30% higher RevPAR; and,
 - over 70% higher operating income per available unit.
- Third quarter 2024 annualized operating income was approximately 12% above pre-pandemic level.
- The portfolio consists of high-quality assets which are well positioned largely in Brookdale core markets and provide meaningful opportunity for continued growth and outperformance.
- Nearly 90% of the renewal portfolio communities are within 25 miles of another Brookdale community providing an ability to further enhance the resident and associate experience.

Closing of International JV / Welltower Portfolio Acquisition

Effective December 17, 2024 the Company successfully closed on one of three planned acquisitions that were previously announced on September 30, 2024. This closing was to acquire 11 communities from the previously-leased International JV / Welltower Portfolio for \$300 million through the assumption of \$194 million of 4.92% fixed rate agency debt scheduled to mature in March 2027 and cash on hand.

⁽¹⁾ Excludes certain potential one-time costs.

An investor presentation regarding the Ventas lease amendment has been posted on the Brookdale's Investor Relations website located at www.brookdaleinvestors.com. Additional information regarding the lease amendment may be found in a Current Report on Form 8-K that the Company intends to file with the U.S. Securities and Exchange Commission (the "SEC").

ABOUT BROOKDALE SENIOR LIVING

Brookdale Senior Living Inc. is the nation's premier operator of senior living communities. The Company is committed to its mission of enriching the lives of the people it serves with compassion, respect, excellence, and integrity. The Company, through its affiliates, operates independent living, assisted living, memory care, and continuing care retirement communities. Through its comprehensive network, Brookdale helps to provide seniors with care, connection, and services in an environment that feels like home. The Company's expertise in healthcare, hospitality, and real estate provides residents with opportunities to improve wellness, pursue passions, make new friends, and stay connected with loved ones. Brookdale, through its affiliates, operates and manages 648 communities in 41 states as of September 30, 2024, with the ability to serve approximately 58,000 residents. Brookdale's stock trades on the New York Stock Exchange under the ticker symbol BKD. For more information, visit brookdale.com or connect with Brookdale on [Facebook](#) or [YouTube](#).

DEFINITIONS OF REVPAR AND REVPOR

RevPAR, or average monthly senior housing resident fee revenue per available unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding revenue for private duty services provided to seniors living outside of the Company's communities and entrance fee amortization), divided by the weighted average number of available units in the corresponding portfolio for the period, divided by the number of months in the period.

RevPOR, or average monthly senior housing resident fee revenue per occupied unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding revenue for private duty services provided to seniors living outside of the Company's communities and entrance fee amortization), divided by the weighted average number of occupied units in the corresponding portfolio for the period, divided by the number of months in the period.

SAFE HARBOR

Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding the Company's intent, belief, or expectations. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "believe," "project," "predict," "continue," "plan," "target," or other similar words or expressions, and include statements regarding the Company's expected financial and operational results.

These forward-looking statements are based on certain assumptions and expectations, and the Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although the Company believes that expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its assumptions or expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a material adverse effect on the Company's operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, events which adversely affect the ability of seniors to afford resident fees, including downturns in the economy, housing market, consumer confidence, or the equity markets and unemployment among resident family members; changes in reimbursement rates, methods, or timing under governmental reimbursement programs including the Medicare and Medicaid programs; the effects of senior housing construction and development, lower industry occupancy, and increased competition; conditions of housing markets, regulatory changes, acts of nature, and the effects of climate change in geographic areas where the Company is concentrated; terminations of the Company's resident agreements and vacancies in the living spaces it leases; failure to maintain the security and functionality of the Company's information systems, to prevent a cybersecurity attack or breach, or to comply with applicable privacy and consumer protection laws, including HIPAA; the Company's ability to complete its capital expenditures in accordance with its plans; the Company's ability to identify and pursue development, investment, and acquisition opportunities and its ability to successfully integrate acquisitions; competition for the acquisition of assets; the Company's ability to complete pending or expected disposition, acquisition, or other transactions on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals are not obtained or are subject to unanticipated conditions, and uncertainties as to the timing of closing, and the Company's ability to identify and pursue any such opportunities in the future; risks related to the implementation of the Company's strategy, including initiatives undertaken to execute on the Company's strategic priorities and their effect on its results; the impacts of the COVID-19 pandemic, including on the nation's economy and debt and equity markets and the local economies in our markets, and on us and our business, results of operations, cash flow, revenue, expenses, liquidity, and our strategic initiatives, including plans for future growth, which will depend on many factors, some of which cannot be foreseen, including the pace and consistency of recovery from the pandemic and any resurgence or variants of the disease; limits on the Company's ability to use net operating loss carryovers to reduce future tax payments; delays in obtaining regulatory approvals; disruptions in the financial markets or decreases in the appraised values or performance of the Company's communities that affect the Company's ability to obtain financing or extend or refinance debt as it matures and the Company's financing costs; the Company's ability to generate sufficient cash flow to cover required interest, principal, and long-term lease payments and to fund its planned capital projects; the effect of any non-compliance with any of the Company's debt or lease agreements (including the financial or other covenants contained therein), including the risk of lenders or lessors declaring a cross default in the event of the Company's non-compliance with any such agreements and the risk of loss of the Company's property securing leases and indebtedness due to any resulting lease terminations and foreclosure actions; the inability to renew, restructure, or extend leases, or exercise purchase options at or prior to the end of any existing lease term; the effect of the Company's indebtedness and long-term leases on the Company's liquidity and its ability to operate its business; increases in market interest rates that increase the costs of the Company's debt obligations; the Company's ability to obtain additional capital on terms acceptable to it; departures of key officers and potential disruption caused by changes in management; increased competition for, or a shortage of, associates (including due to general labor market conditions), wage pressures resulting from increased competition, low unemployment levels, minimum wage increases and changes in overtime laws, and union activity; environmental contamination at any of the Company's communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against the Company, including putative class action complaints, and the frequency and magnitude of legal actions and liability claims that may arise due to COVID-19 or the Company's response efforts; negative publicity with respect to any lawsuits, claims, or other legal or regulatory proceedings; costs to respond to, and adverse determinations resulting from, government inquiries, reviews, audits, and investigations; the cost and difficulty of complying with increasing and evolving regulation, including new disclosure obligations; changes in, or its failure to comply with, employment-related laws and regulations; the risks associated with current global economic conditions and general economic factors on the Company and the Company's business partners such as inflation, commodity costs, fuel and other energy costs, competition in the labor market, costs of salaries, wages, benefits, and insurance, interest rates, tax rates, geopolitical tensions or conflicts, and uncertainty surrounding federal elections; the impact of seasonal contagious illness or an outbreak of COVID-19 or other contagious disease in the markets in which the Company operates; actions of activist stockholders, including a proxy contest; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including those set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect management's views as of the date of this press release. The Company cannot guarantee future results, levels of activity, performance or achievements, and, except as required by law, it expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained in this press release to reflect any change in the Company's expectations with regard thereto or change in events, conditions, or circumstances on which any statement is based.

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