



Ventas Enters Into New Management Agreement With Holiday Retirement

May 8, 2020

Holiday Lease Terminated and Ventas Receives \$100 Million in Payments and Notes

CHICAGO--(BUSINESS WIRE)--May 8, 2020-- Ventas, Inc. (NYSE: VTR) (the "Company") announced today that it has completed a consensual transaction with affiliates of Holiday Retirement (collectively, "Holiday") including entry into a new management agreement with Holiday Management Company, and a termination of the Holiday Lease. The agreements are with respect to Ventas's 26 independent living assets (the "Holiday Communities") that were previously leased by the Company to Holiday tenants under a master lease (the "Holiday Lease").

"We are pleased to realign our relationship with Holiday by entering into a new management agreement for our 26 independent living communities and terminating our Holiday Lease," said Debra A. Cafaro, Ventas Chairman and CEO. "This mutually beneficial transaction enables us to retain upside in our 26 communities over time, receive significant value from the Holiday Lease guarantor and preserve our operational flexibility. We appreciate the Holiday management team's engagement and cooperation."

Terms of the transaction, which was effective as of April 1, 2020, include:

- Ventas has received a total of \$100 million consisting of \$34 million in cash (the "Cash Payment") and \$66 million aggregate principal amount of secured Notes from the prior guarantor of the Holiday Lease (the "Guarantor") and certain Holiday affiliates. The Notes mature in five years and bear interest at a blended rate of nine percent per annum. The Guarantor owns seven communities, one of which is unencumbered and six of which are encumbered by a \$174 million mortgage loan.
- Under the new management agreement for the 26 Holiday Communities, Ventas will pay Holiday a management fee equal to five percent of gross revenues. The management agreement is terminable by Ventas without penalty upon thirty days' notice.

The terminated Holiday Lease covered the Company's 26 Holiday Communities, which contain 3,184 units. Holiday fully paid all rent due under the Holiday Lease from inception in 2013 through March 2020, with first quarter 2020 cash rent totaling \$15 million. The Holiday Lease, which was set to expire in 2028, was previously guaranteed by the Guarantor for the sole benefit of Ventas. The property level EBITDARM to cash rent coverage of the Company's 26 Holiday Communities was 0.9x for the trailing twelve months ended March 31, 2020, based on information provided by Holiday. The COVID-19 pandemic is expected to have an impact on the financial and operational performance of the Holiday communities, the extent of which is highly uncertain, and is dependent upon the length, depth and geographical scope of the pandemic, among other factors.

In the second quarter of 2020, Ventas expects to recognize income reflecting receipt of the Cash Payment and the Notes, partially offset by a non-cash expense of \$50 million from the write-off of the non-cash accrued straight-line receivable under the Holiday Lease. These amounts will all be excluded from the Company's reported Normalized FFO.

Advisors

Lazard is serving as financial advisor to Ventas and Kirkland & Ellis LLP and Barack Ferrazzano Kirschbaum & Nagelberg LLP are serving as legal counsel to the Company.

About Ventas

Ventas, Inc. (together with its subsidiaries, unless otherwise expressly noted, "Ventas" or the "Company"), an S&P 500 company, is a real estate investment trust with a highly diversified portfolio of senior housing, research and innovation, and healthcare properties located throughout the United States, Canada and the United Kingdom. As of March 31, 2020, Ventas owned or managed through unconsolidated joint ventures approximately 1,200 properties (including properties classified as held for sale), consisting of senior housing communities, medical office buildings, research and innovation centers, inpatient rehabilitation and long-term acute care facilities, and health systems. Through its Lillibridge subsidiary, Ventas provides management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States. More information about Ventas and Lillibridge can be found at www.ventasreit.com and www.lillibridge.com.

The Company routinely announces material information to investors and the marketplace using press releases, Securities and Exchange Commission ("SEC") filings, public conference calls, webcasts and the Company's website at www.ventasreit.com/investor-relations. The information that the Company posts to its website may be deemed to be material. Accordingly, the Company encourages investors and others interested in the Company to routinely monitor and review the information that the Company posts on its website, in addition to following the Company's press releases, SEC filings and public conference calls and webcasts. Supplemental information regarding the Company can be found on the Company's website under the "Investor Relations" section or at www.ventasreit.com/investor-relations/annual-reports---supplemental-information. A comprehensive listing of the Company's properties is available at www.ventasreit.com/our-portfolio/properties-by-stateprovince.

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding the Company's or its tenants', operators', borrowers' or managers' expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions,

acquisitions, investment opportunities, dispositions, merger or acquisition integration, growth opportunities, expected lease income, continued qualification as a real estate investment trust ("REIT"), plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from the Company's expectations. The Company does not undertake a duty to update these forward-looking statements, which speak only as of the date on which they are made.

The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the SEC. These factors include without limitation: (a) the effects of the ongoing COVID-19 pandemic and measures intended to prevent its spread on the Company's business, results of operations, cash flows and financial condition, including declines in rental revenues and increases in operating costs in the Company's senior housing operating portfolio, deterioration in the financial conditions of the Company's tenants and their ability to satisfy their payment obligations to the Company, constraints in the Company's ability to access capital and other sources of funding and increased risk of claims, litigation and regulatory proceedings and uncertainty that may adversely affect the Company; (b) the ability and willingness of the Company's tenants, operators, borrowers, managers and other third parties to satisfy their obligations under their respective contractual arrangements with the Company, including, in some cases, their obligations to indemnify, defend and hold harmless the Company from and against various claims, litigation and liabilities; (c) the ability of the Company's tenants, operators, borrowers and managers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation obligations under their existing credit facilities and other indebtedness; (d) the Company's success in implementing its business strategy and the Company's ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (e) macroeconomic conditions such as a disruption of or lack of access to the capital markets, changes in the debt rating on U.S. government securities, default or delay in payment by the United States of its obligations, and changes in the federal or state budgets resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; (f) the nature and extent of future competition, including new construction in the markets in which the Company's senior housing communities and office buildings are located; (g) the extent and effect of future or pending healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (h) increases in the Company's borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of the London Inter-bank Offered Rate after 2021; (i) the ability of the Company's tenants, operators and managers, as applicable, to comply with laws, rules and regulations in the operation of the Company's properties, to deliver high-quality services, to attract and retain qualified personnel and to attract residents and patients; (j) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and the effect of those changes on the Company's revenues, earnings and funding sources; (k) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (l) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (m) final determination of the Company's taxable net income for the year ended December 31, 2019 and for the year ending December 31, 2020; (n) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases, the Company's ability to reposition its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations, including indemnification obligations, the Company may incur in connection with the replacement of an existing tenant; (o) risks associated with the Company's senior living operating portfolio, such as factors that can cause volatility in the Company's operating income and earnings generated by those properties, including without limitation national and regional economic conditions, costs of food, materials, energy, labor and services, employee benefit costs, insurance costs and professional and general liability claims, and the timely delivery of accurate property-level financial results for those properties; (p) changes in exchange rates for any foreign currency in which the Company may, from time to time, conduct business; (q) year-over-year changes in the Consumer Price Index or the UK Retail Price Index and the effect of those changes on the rent escalators contained in the Company's leases and the Company's earnings; (r) the Company's ability and the ability of its tenants, operators, borrowers and managers to obtain and maintain adequate property, liability and other insurance from reputable, financially stable providers; (s) the impact of damage to the Company's properties from catastrophic weather and other natural events and the physical effects of climate change; (t) the impact of increased operating costs and uninsured professional liability claims on the Company's liquidity, financial condition and results of operations or that of the Company's tenants, operators, borrowers and managers, and the ability of the Company and the Company's tenants, operators, borrowers and managers to accurately estimate the magnitude of those claims; (u) risks associated with the Company's office building portfolio and operations, including the Company's ability to successfully design, develop and manage office buildings and to retain key personnel; (v) the ability of the hospitals on or near whose campuses the Company's medical office buildings are located and their affiliated health systems to remain competitive and financially viable and to attract physicians and physician groups; (w) risks associated with the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (x) the Company's ability to obtain the financial results expected from its development and redevelopment projects; (y) the impact of market or issuer events on the liquidity or value of the Company's investments in marketable securities; (z) consolidation activity in the senior housing and healthcare industries resulting in a change of control of, or a competitor's investment in, one or more of the Company's tenants, operators, borrowers or managers or significant changes in the senior management of the Company's tenants, operators, borrowers or managers; (aa) the impact of litigation or any financial, accounting, legal or regulatory issues that may affect the Company or its tenants, operators, borrowers or managers; and (bb) changes in accounting principles, or their application or interpretation, and the Company's ability to make estimates and the assumptions underlying the estimates, which could have an effect on the Company's earnings.

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