



NEWS RELEASE

Diversified Healthcare Trust Announces Board and Leadership Updates and Actions to Address Near Term Capital Needs, Including Pending Debt Maturities

9/26/2023

Phyllis Hollis Appointed Independent Trustee

Matthew Brown Appointed CFO, Effective October 1, 2023

B. Riley Securities Engaged as Financial Advisor

NEWTON, Mass.--(BUSINESS WIRE)-- Diversified Healthcare Trust (Nasdaq: DHC) today announced changes to its Board of Trustees and executive leadership team, and other actions to address its near term capital needs, including DHC's pending debt maturities.

Phyllis Hollis has been appointed as an Independent Trustee of the DHC Board, effective September 26, 2023. Ms. Hollis previously worked as an executive at an investment bank and has extensive experience in finance and executing capital markets transactions. Ms. Hollis will serve on DHC's Audit Committee as well as its Compensation Committee, which she will chair.

Adam Portnoy, Chair of DHC's Board, made the following statement:

"On behalf of the DHC Board, I am excited to welcome Phyllis as our newest Board member. Phyllis is a recognized industry veteran with substantial executive and finance experience. We look forward to drawing on her insights and perspectives as we consider alternatives to address DHC's near term financing needs and

generally oversee DHC's path forward."

In addition, DHC has appointed Matthew Brown as Chief Financial Officer and Treasurer, effective October 1, 2023. Mr. Brown is a Senior Vice President of The RMR Group (Nasdaq: RMR) where he oversees the accounting and finance functions. Mr. Brown is a certified public accountant and previously served as Chief Financial Officer of Office Properties Income Trust (Nasdaq: OPI).

DHC also announced that B. Riley Securities has been engaged as its financial advisor to help it evaluate options to address near term capital needs, including upcoming debt maturities. As previously disclosed, DHC is not and has not been for the past two years in compliance with the debt incurrence covenants in its bond indentures. As a result, DHC cannot incur new debt or refinance existing indebtedness. DHC has \$700 million in indebtedness maturing in the first half of 2024 and has previously disclosed that it does not expect to be in covenant compliance until late 2024 at the earliest. In addition, DHC's Senior Housing Operating Portfolio, or SHOP, requires significant capital investments over the next couple of years in order to effectuate a positive turn-around in the SHOP business. Among the alternatives being considered to address DHC's near term capital needs are raising permissible new capital from investors and selling assets. DHC also plans to engage in discussions with its lenders regarding its bank debt maturing in January 2024.

Today's actions follow the resignation of two of DHC's Board members who served on the DHC Board's special committee in connection with DHC's terminated merger with Office Properties Income Trust. Both Board members stated in their resignation letters that their resignation was not a result of any disagreement with the Company. Following Ms. Hollis's appointment, the DHC Board is now comprised of six Trustees, 67% of whom are Independent Trustees, 50% of whom are women and 33% of whom are from underrepresented communities. The DHC Nominating and Governance Committee has retained Korn Ferry, a leading executive search firm, to support its search for additional Independent Trustee candidates as part of its Board refreshment process.

About Diversified Healthcare Trust:

DHC is a real estate investment trust focused on owning high-quality healthcare properties located throughout the United States. DHC seeks diversification across the health services spectrum by care delivery and practice type, by scientific research disciplines and by property type and location. As of June 30, 2023, DHC's approximately \$7.1 billion portfolio included 376 properties in 36 states and Washington, D.C., occupied by approximately 500 tenants, and totaling approximately 9 million square feet of life science and medical office properties and more than 27,000 senior living units. DHC is managed by The RMR Group (Nasdaq: RMR), a leading U.S. alternative asset management company with approximately \$36 billion in assets under management as of June 30, 2023, and more than 35 years of institutional experience in buying, selling, financing and operating commercial real estate. To learn more about

DHC, visit www.dhcreit.com.

Warning Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, whenever DHC uses words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, it is making forward-looking statements. These forward-looking statements are based upon DHC’s present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by DHC’s forward-looking statements as a result of various factors. For example: (a) the statements in this press release regarding DHC’s consideration of alternatives and evaluation of options to address its near term financing needs, including its upcoming debt maturities, may imply that DHC will be able to raise permissible new capital from investors and sell assets, refinance its debt and effectuate a positive turn-around in its SHOP business; however, DHC may not be able to raise capital from investors, sell assets and/or refinance its debt on the terms it expects, or at all. Further, DHC may be not be able to meet the capital investment requirement to effectuate a positive turn-around in its SHOP business; (b) DHC expects that the earliest it will be in compliance with its debt incurrence covenants is late 2024; however, there is substantial risk that DHC may take longer than late 2024 to be in debt incurrence covenant compliance and able to refinance or issue new debt; and (c) the DHC Board may not be successful in its search for additional Independent Trustee candidates as part of its Board refreshment process.

The information contained in DHC's periodic reports filed with the Securities and Exchange Commission, or the SEC, including under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” or incorporated therein, also identifies important factors that could cause DHC's actual results to differ materially from those stated in or implied by DHC's forward-looking statements. DHC's filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon any forward-looking statements. Except as required by law, DHC does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

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