



NEWS RELEASE

Diversified Healthcare Trust Announces Further Management Transition Progress and Initial Sale of Skilled Nursing Bed Licenses

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Enters into Management Agreement for 10 Communities with Stellar Senior Living

Brings Total New Agreements to Approximately 70% of the Transitioning Communities

NEWTON, Mass.--(BUSINESS WIRE)-- **Diversified Healthcare Trust (Nasdaq: DHC)** announced today that it has entered into a new management agreement with Stellar Senior Living for nine skilled nursing communities and one continuing care retirement community totaling 1,152 units in Colorado, Texas, and Wyoming within its Senior Housing Operating Portfolio ("SHOP"). DHC has now entered into new management agreements representing approximately 70% of its SHOP communities to be transitioned from Five Star Senior Living Inc. (Nasdaq: FVE), or Five Star, to other third-party operators as previously announced. DHC continues to expect to complete all of the management transitions at the 108 transitioning communities by year end.

As previously announced, DHC is closing 1,500 skilled nursing units in its Five Star managed communities with the plan to repurpose them to enhance the resident experience at the communities. As part of this strategy, DHC also announced the sale of 10 skilled nursing bed licenses retired from use, the first of its plan to sell 542 licenses to operate skilled nursing beds in states where the sale and transfer of bed licenses are permitted.

Diversified Healthcare Trust (Nasdaq: DHC) is a real estate investment trust (REIT) 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 March 31, 2021, DHC's \$8.2 billion portfolio included 396 properties in 36 states and Washington, D.C., occupied by more than 600 tenants, and totaling approximately 11.2 million square feet of life science and medical office properties and more than 29,000 senior living units. DHC is managed by the operating subsidiary of The RMR

Group Inc. (Nasdaq: RMR), an alternative asset management company that is headquartered in Newton, MA. To learn more about DHC, visit www.dhcreit.com.

WARNING REGARDING FORWARD-LOOKING STATEMENTS

This press release contains statements that constitute 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, DHC 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. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond DHC’s control. For example:

- DHC may be unable to identify additional new operators for the other 32 of 108 senior living communities being transitioned from Five Star that DHC believes are sufficiently qualified or may be unable to reach agreement with any such operators on management terms before year end 2021 or at all, and any agreement DHC may reach with any such operators may not be on the terms DHC currently expects or desires, and may not be equal to or more favorable to DHC than the terms of DHC’s current management arrangements with Five Star.
- DHC may be unable to sell the remaining licenses to operate skilled nursing beds as currently planned or repurpose the skilled nursing units it is closing in a manner that complements the needs of its senior living communities or otherwise.

The information contained in DHC’s filings with the SEC including under “Risk Factors” in DHC’s periodic reports, or incorporated therein, identifies other 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 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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Source: Diversified Healthcare Trust