



NEWS RELEASE

Diversified Healthcare Trust Prices \$941 Million Zero Coupon Senior Secured Notes with a Maturity Date of January 15, 2026 and a One-Year Extension Option

12/19/2023

Proceeds Will be Used to Repay in Full All 2024 Maturities, Including \$450 Million Secured Credit Facility and \$250 Million of Senior Unsecured Notes

Will Immediately Regain Compliance with Debt Incurrence Covenants upon Closing

NEWTON, Mass.--(BUSINESS WIRE)-- **Diversified Healthcare Trust (Nasdaq: DHC)** today announced that it has priced an aggregate principal amount of \$941 million of senior secured notes due January 2026, with a 12-month extension option, subject to the satisfaction of certain conditions and payment of an extension fee. The notes will generate approximately \$750 million in gross proceeds before issuance costs and will accrete at a rate of 11.25% annually, compounded semi-annually. If the 12-month extension option is exercised, interest payments will be due semi-annually during the extension period at an initial interest rate of 11.25% with increases of 50 basis points every 90 days that the notes remain outstanding. The closing is expected to occur on December 21, 2023, subject to the satisfaction of customary closing conditions. The notes will be guaranteed on a joint, several and senior secured basis by subsidiaries of DHC that own the properties comprising the collateral for the notes and on a joint, several and unsecured basis by all subsidiaries of DHC that guarantee its existing senior notes due 2025 and 2031. DHC believes that the collateral properties have an estimated fair value of approximately \$1.57 billion.

The net proceeds from this transaction, after initial purchaser discounts and offering costs, are expected to be \$732 million and used to repay all of DHC's outstanding debt maturing in 2024, and for general business purposes. The debt being repaid includes DHC's \$450 million secured credit facility and its outstanding 4.750% Senior Notes due in

May 2024. The offering is expected to close on December 21, 2023, subject to customary closing conditions. Following the closing of this transaction and the repayment of these outstanding debts, DHC will immediately regain compliance with the incurrence covenants under its remaining public debt agreements.

The notes have not and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), any state securities laws or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the Securities Act or any applicable state securities laws. The new notes will be offered only to persons reasonably believed to be qualified institutional buyers under Rule 144A under the Securities Act and outside the United States only to non-U.S. investors in compliance with Regulation S under the Securities Act.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. This press release also does not constitute a notice of redemption with respect to the redemption of DHC's 4.750% Senior Notes due 2024.

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 September 30, 2023, DHC's approximately \$7.2 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 September 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 statements, including our statements about the expected settlement date of the offering of the new notes and the use of proceeds therefrom, 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. The settlement of the offering is subject to various customary conditions and

contingencies. If these conditions are not satisfied or the specified contingencies do not occur, this offering may not close. Further, DHC's current intentions with respect to the use of the net proceeds from the offering to repay DHC's secured credit facility and to fund the redemption of its outstanding 4.750% Senior Notes due in May 2024 is dependent on the closing of the offering and may not occur. In addition, although DHC will immediately be in compliance with the debt incurrence covenants under its remaining public debt agreements as a result of this transaction and the repayment of these outstanding debts, DHC may not be able to execute on additional financing strategies or have sufficient liquidity available to fund its capital projects as it currently expects, and DHC may not be able to continue to invest in the growth and recovery of its senior living communities as a result of economic and market conditions or other reasons.

Actual results may differ materially from those contained in or implied by DHC's forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond DHC's control.

The information contained in DHC's filings with the Securities and Exchange Commission (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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