



**Capital Senior Living Successfully Exits All Triple-Net Leases,
Resulting in Improved Cash Flow and Reduced Liabilities**
Company Establishes New Management Services Business

DALLAS – January 7, 2021 – Capital Senior Living Corporation (the “Company”) (NYSE: CSU) completed the exit of all its Triple-Net (NNN) lease agreements as of December 31, 2020, on schedule and within its strategic plan.

As previously announced, the Company reached agreements for rent reductions and early terminations of all master leases with its three REIT landlords. Completion of these actions has improved the Company’s annual cash flow by approximately \$22 million and reduced its lease-related liabilities by approximately \$264.4 million.

As of December 31, 2020, the Company transitioned 23 of the formerly leased communities to other operators. The Company will continue to manage the remaining 16 formerly leased communities under interim cash flow leases or management agreements until their transitions are complete. Seven formerly leased communities will be managed by the Company as part of its new management services business.

New Management Services Business

Capital Senior Living has established a new management services business to expand utilization of its operating systems and expertise, enhance its operational and financial profile, and provide an additional platform for future growth. On December 31, 2020, the Company finalized an agreement with Ventas to manage the seven communities it had previously leased from the REIT with an auto-renewing, annual agreement for which the Company will receive a percentage of revenue. Capital Senior Living also manages an Ohio community the Company sold in early December, as well as 16 communities under interim management agreements or cash flow leases.

“We continue to focus on our plan to drive sustainable growth and value creation while keeping our residents safe, healthy and engaged,” said Kimberly S. Lody, President and CEO. “I appreciate the positive engagement we have had with our REIT partners and their confidence in our operational team and expertise. Managing these communities is a springboard for our newly established management services business. This diversified go-forward portfolio positions us well today and into the future.”



Portfolio and SING Strategy Update

After completing the transitions of the non-continuing communities, expected by the end of Q2 2021, the company's portfolio will consist of 60 owned and 8 managed communities. This portfolio had average occupancy of 78.4% and NOI margin of 28.4% in Q3 2020.

The Company has successfully achieved the strategic goals laid out in the second year of its three-year strategic plan, "SING" (Stabilize, Invest, Nurture, Grow), which is focused on improving its operating performance and financial foundation.

Within its strategic plan, Capital Senior Living has transitioned underperforming assets, reduced its liabilities and improved its organizational systems and structure for optimal management of its go-forward portfolio of communities. With these actions, the Company's management team believes the organization is well positioned to serve the fast-growing, middle market senior population and has laid a solid foundation to begin the growth-focused stage of its strategic plan.

About Capital Senior Living

Dallas-based [Capital Senior Living Corporation](#) is one of the nation's leading operators of independent living, assisted living and memory care communities for senior adults. The Company operates 100 communities that are home to nearly 9,000 residents across 22 states providing compassionate, resident-centric services and care and engaging programming. The Company offers seniors the freedom and opportunity to successfully, comfortably and happily age in place. For more information, visit www.capitalsenior.com or connect with the Company on [Facebook](#).

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