



# Business Update

*July 2021*

**welltower**

# Forward Looking Statements and Risk Factors

This document contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements, including statements related to Funds From Operations guidance, are not guarantees of future performance and involve risks and uncertainties that may cause Welltower’s actual results to differ materially from Welltower’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the successful completion of the transactions; the duration and scope of the COVID-19 pandemic; the impact of the COVID-19 pandemic on occupancy rates and on the operations of Welltower and its operators/tenants; actions governments take in response to the COVID-19 pandemic, including the introduction of public health measures and other regulations affecting Welltower’s properties and the operations of Welltower and its operators/tenants; uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation; the effects of health and safety measures adopted by Welltower and its operators/tenants related to the COVID-19 pandemic; increased operational costs as a result of health and safety measures related to COVID-19; the impact of the COVID-19 pandemic on the business and financial condition of operators/tenants and their ability to make payments to Welltower; disruptions to Welltower’s property acquisition and disposition activity due to economic uncertainty caused by COVID-19; general economic uncertainty in key markets as a result of the COVID-19 pandemic and a worsening of global economic conditions or low levels of economic growth; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain Welltower’s qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower’s reports filed from time to time with the SEC. Finally, Welltower undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

# Welltower at a Glance

# WELL

# LISTED

# NYSE

S&P  
**500**

**\$49B**  
*Enterprise  
Value<sup>(1)</sup>*

**2.9%**  
*Dividend Yield<sup>(1)</sup>*

**Baa1** + **BBB+**  
MOODY'S + S&P Global  
Ratings



**100,000+**  
Seniors Housing &  
Wellness Housing Units



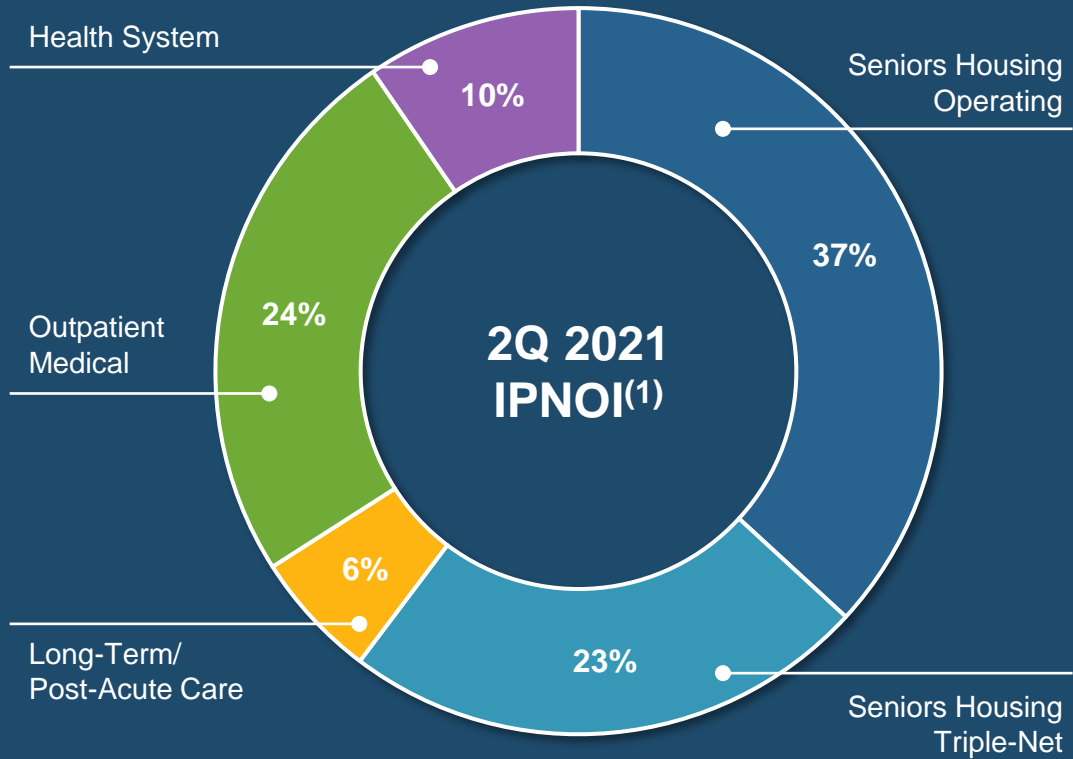
**~22M sq. ft.**  
Outpatient Facilities

Dow Jones  
Sustainability Indices  
In Collaboration with RobecoSAM



## *World's largest health & wellness real estate platform*

# Portfolio Overview



1. Based on In-Place NOI. See Supplemental Financial Measures at the end of this presentation for reconciliations.



# Recent Developments | Second Quarter 2021 and Seniors Housing Highlights

## 2Q2021 Highlights

- Seniors Housing Operating (SHO) portfolio spot occupancy increased 190bps in 2Q2021, exceeding initial guidance of an approximate gain of 130bps
- Seniors Housing Triple-Net properties achieved similar sequential occupancy growth as SHO properties during 2Q2021<sup>(1)</sup>
- Collected 95% of contractual Triple-Net Portfolio rent due in the second quarter
- Completed \$1.5 billion in pro rata gross investments at initial yield of 8.8% during the second quarter
- Announced the acquisition of 86 Holiday properties for \$1.58 billion, or \$152,000 per unit, representing a discount to estimated replacement cost in excess of 30%
- Enhanced balance sheet and liquidity following efficient capital markets activity and improving fundamentals
  - Sold 20.1 million shares of common stock under our ATM program via forward sale agreements since April 1, 2021 which are expected to generate \$1.6 billion of gross proceeds

## Seniors Housing Operating Portfolio Update<sup>(2)</sup>

- **SHO portfolio spot occupancy increased 190bps in 2Q2021: occupancy gains accelerated in June to 90bps following an increase of 50bps in April and a 50bps increase in May**
  - During the quarter, US and UK SHO portfolios reported spot occupancy gains of approximately 280bps and 210bps, respectively
  - Rental rates remained resilient across Assisted Living, Independent Living and Seniors Apartments with 2Q2021 same store REVPOR<sup>(3)</sup> growth of 3.2%, 2.8% and 5.3% respectively
  - Dual impact of rising same store occupancy and rates coupled with lower COVID-related expenses drove sequential same store operating margin expansion of 180bps
- As of July 23, 2021, SHO portfolio spot occupancy ended at 75.0%, representing an approximate occupancy gain of 270bps since the pandemic-low on March 12, 2021 and an approximate month-to-date gain of 40bps
  - The US and UK SHO portfolios reported occupancy gains of approximately 400bps and 280bps, respectively, since March 12, 2021
- As of July 23, 2021, COVID-19 cases amongst residents across our three operating geographies remain near pandemic lows due to high vaccination rates and efficacy of vaccines
- **The outlook for SHO portfolio occupancy growth remains favorable:**
  - Lead generation has returned to pre-COVID levels and move-in activity remains robust; strong recent sales activity supports continued momentum
  - Desire for socialization following isolation experienced during COVID pandemic is a primary reason for move in
  - Upcoming months have historically represented seasonally strong periods of lead generation and occupancy growth for the seniors housing industry
  - Daily new COVID cases in Canada have declined by 97% from peak levels, resulting in the continued easing of restrictions across the country. All US states and the UK have fully reopened

1. As reported by operators

2. Due to rounding, some totals may not correspond with the sum of the separate figures in other areas of the presentation

3. See Supplemental Financial Measures at the end of this presentation for reconciliations

# Recent Developments | Investments and Balance Sheet Update

## Investments Update

- **Following completion of the Holiday transaction, WELL will have executed approximately \$4.0 billion of pro rata gross investments<sup>(1)</sup> since 4Q2020 at an initial yield of 6.7%**
- Completed \$256 million of pro rata gross investments since previous business update on June 21, 2021. Notable transactions include:
  - Acquired a portfolio of six Class A medical office buildings and properties under construction across in-fill markets in the NYC metro area in a newly formed strategic JV with Aspect Health for a pro rata investment amount of \$98 million. The JV will have a ten-year exclusivity agreement on future development opportunities in the NYC metro area
  - Completed the acquisition of seven SH communities to be transitioned to Frontier Management in the second tranche of a previously announced 29 property portfolio transaction for \$50 million. The 29 property portfolio was acquired for \$147 million, or less than \$100,000 per unit, and expected to generate a low-double digit unlevered IRR to WELL
- On June 21, 2021, announced the acquisition of an 86 property seniors housing portfolio owned by Holiday Retirement for \$1.58 billion. The acquisition is expected to be immediately accretive to normalized FFO at \$0.10 per diluted share<sup>(2)</sup> on an annualized basis following its expected closing during 3Q2021 and generate a low-double digit unlevered IRR to WELL

## Balance Sheet Update

- Since the beginning of 2Q2021, issued approximately \$1.6 billion of equity through the at-the-market program via forward sale agreement at an average price of ~\$80 per share
- As of July 28, 2021, received approximately \$852 million in pro rata disposition proceeds and loan payoffs year-to-date; anticipate generating approximately \$699 million of additional proceeds related to properties classified as held-for-sale as of June 30, 2021<sup>(3)</sup>
- **During the quarter:**
  - Reported Net Debt to Adjusted EBITDA of 6.80x as of June 30, 2021<sup>(2)</sup>
    - **Net Debt to Adjusted EBITDA declines to 6.45x pro forma for announced acquisition/disposition activity and settlement of forward shares<sup>(4)</sup>**
  - Issued \$500 million of senior unsecured notes due January 2029 at a rate of 2.050%, representing WELL's lowest ever coupon on unsecured note issuance
  - Closed on an expanded \$4.7 billion unsecured credit facility which replaced the company's existing line of credit of approximately \$3.0 billion and bears an interest rate of LIBOR plus 77.5bps, which represents a 5bps point improvement from pricing under the previous unsecured revolving line of credit
- **Total near-term available liquidity stands at approximately \$6.9 billion as of June 30, 2021<sup>(5)</sup>**

1. Excluding development funding

2. See Supplemental Financial Measures at the end of this presentation

3. Related to 2Q2021 assets held for sale of \$735 million as of June 30, 2021 less \$36 million related to dispositions closed subsequent to quarter end as of July 28, 2021

4. See details on slide 28

5. See details on slide 27

# Recent Developments | 3Q2021 Guidance

## 3Q2021 Guidance

- Third quarter 2021 net income attributable to common stockholders: \$0.44 - \$0.49 per diluted share<sup>(1)</sup>
- **Third quarter 2021 normalized FFO : \$0.78 - \$0.83 per diluted share<sup>(1)</sup>. Key assumptions include:**
  - SHO Portfolio Occupancy: Midpoint of normalized FFO guidance assumes a continuation of recent trends, resulting in an approximate increase of 190bps through 3Q2021
  - Expect 3Q2021 Same Store REVPOR<sup>(1)</sup> growth of 2.5% year-over-year
  - Provider Relief Funds: Our third quarter guidance does not include the recognition of any Provider Relief Funds which may be received during the quarter
  - Development: We expect funding approximately \$288 million of development in 2021 relating to projects underway on June 30, 2021
  - Investments: Guidance includes only acquisitions closed or announced year-to-date
  - Dispositions: We expect pro rata dispositions of \$1.5 billion at a blended yield of 8.1% in 2021 including \$728 million in dispositions and loan payoffs completed through June 30, 2021 and \$735 million related to assets held-for-sale as of June 30, 2021
- General and Administrative Expense: We expect G&A expense of approximately \$132 million to \$137 million for full year 2021



# || Leadership Team



**SHANKH MITRA**  
Chief Executive Officer &  
Chief Investment Officer



**TIMOTHY G. MCHUGH**  
Chief Financial Officer



**JOHN F. BURKART**  
Chief Operating Officer



**MATTHEW G. MCQUEEN**  
General Counsel &  
Corporate Secretary



**AYESHA MENON**  
Senior Vice President  
Wellness Housing and  
Development



**JOSHUA T. FIEWEGER**  
Chief Accounting Officer

# || New Paradigm for Growth with Lower Entity-Level Risk

PAST FIVE YEARS DO NOT REFLECT OUTLOOK FOR NEXT FIVE YEARS

Where we *Were* (2015- 2020)

Where we're *Going* (2021 and beyond)



SENIORS HOUSING  
DEMAND

- Relatively flat demographic growth of key seniors housing demographic resulting from “Baby Bust” of 1928 - 1940



- **Sharply accelerating growth of 80+ age cohort**



SENIORS HOUSING  
SUPPLY

- Significant multi-year increase in seniors housing supply



- **Precipitous decline in starts resulting from accelerating construction costs and challenges in procuring construction financing**



PORTFOLIO

- Outsized operator and post-acute concentration: Genesis Healthcare comprised nearly 20% of WELL NOI



- **Substantially exited operating relationship with Genesis; immaterial post-acute care exposure following announced sales<sup>(1)</sup>**



OPERATOR  
PLATFORM

- Long-term revenue-based management contracts



- **Aligned interests via RIDEA 3.0 construct with shorter term management contracts**



INVESTMENT  
ENVIRONMENT

- Focused on improving portfolio quality through dispositions
- **Prohibitive seniors housing valuations resulted in few net investment value creation opportunities**



- **Significant increase in net investment activity: abundant opportunities to create shareholder value through capital deployment**



EARNINGS  
GROWTH

- Lackluster growth resulting from elevated disposition activity and impact of COVID-19 pandemic



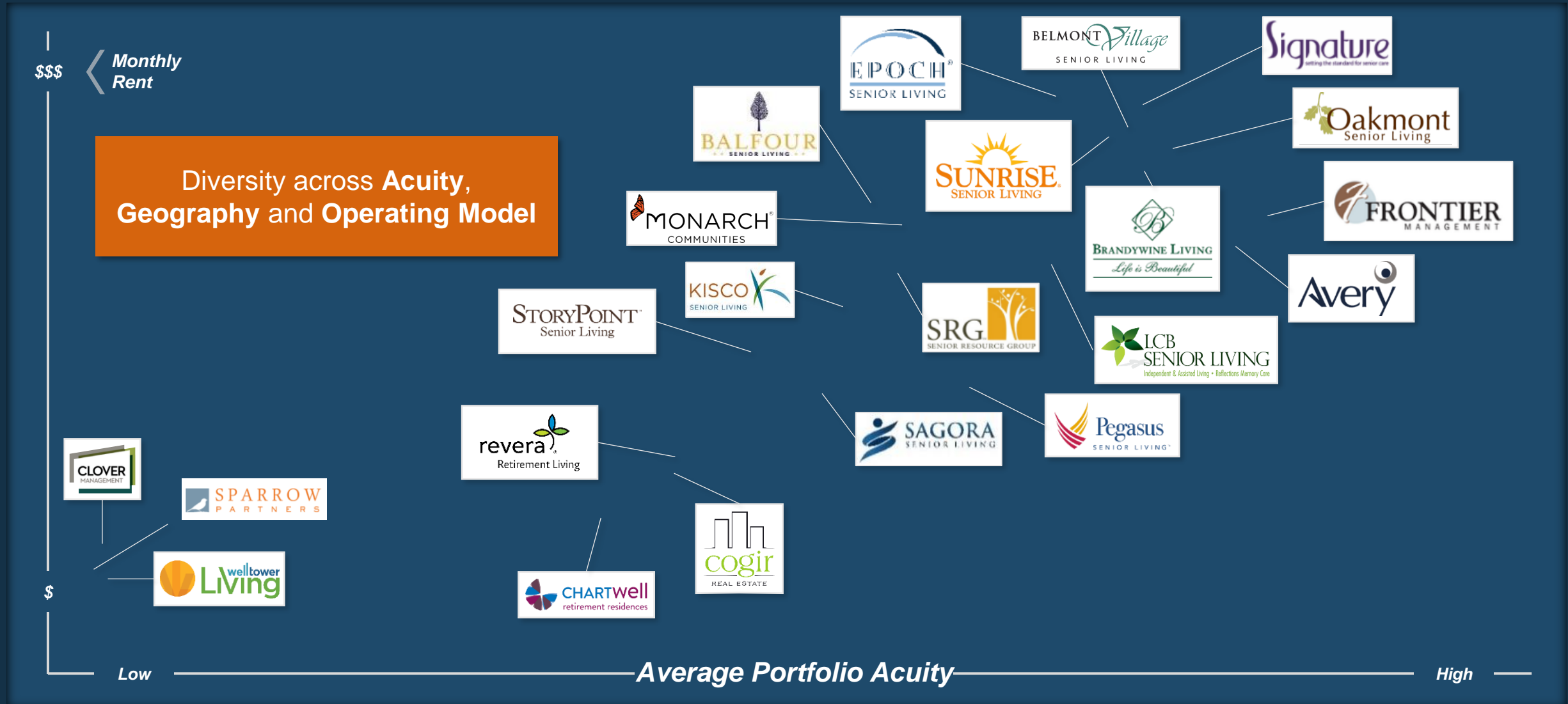
***At the cusp of multi-year period of compelling per share growth***

1. See Welltower press release and business update dated March 2, 2021

## Seniors Housing

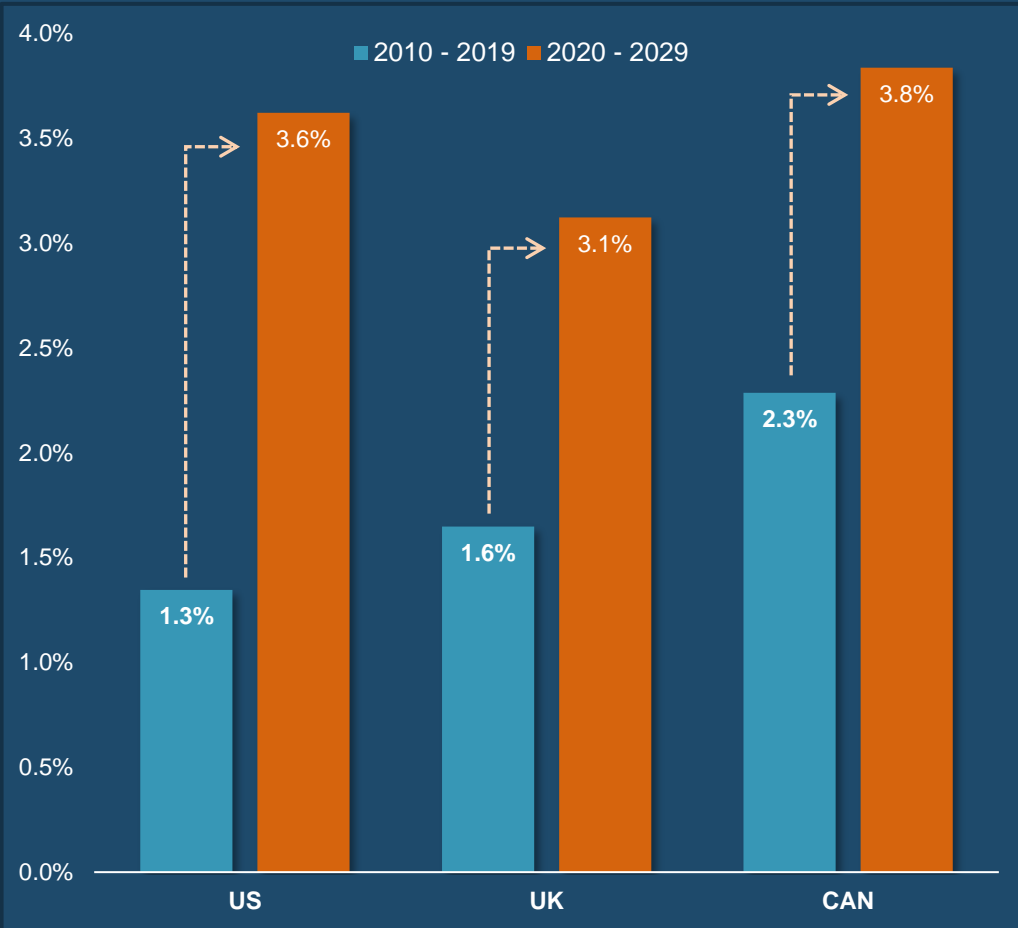


# Seniors Housing Operator Platform | Power of Diversification

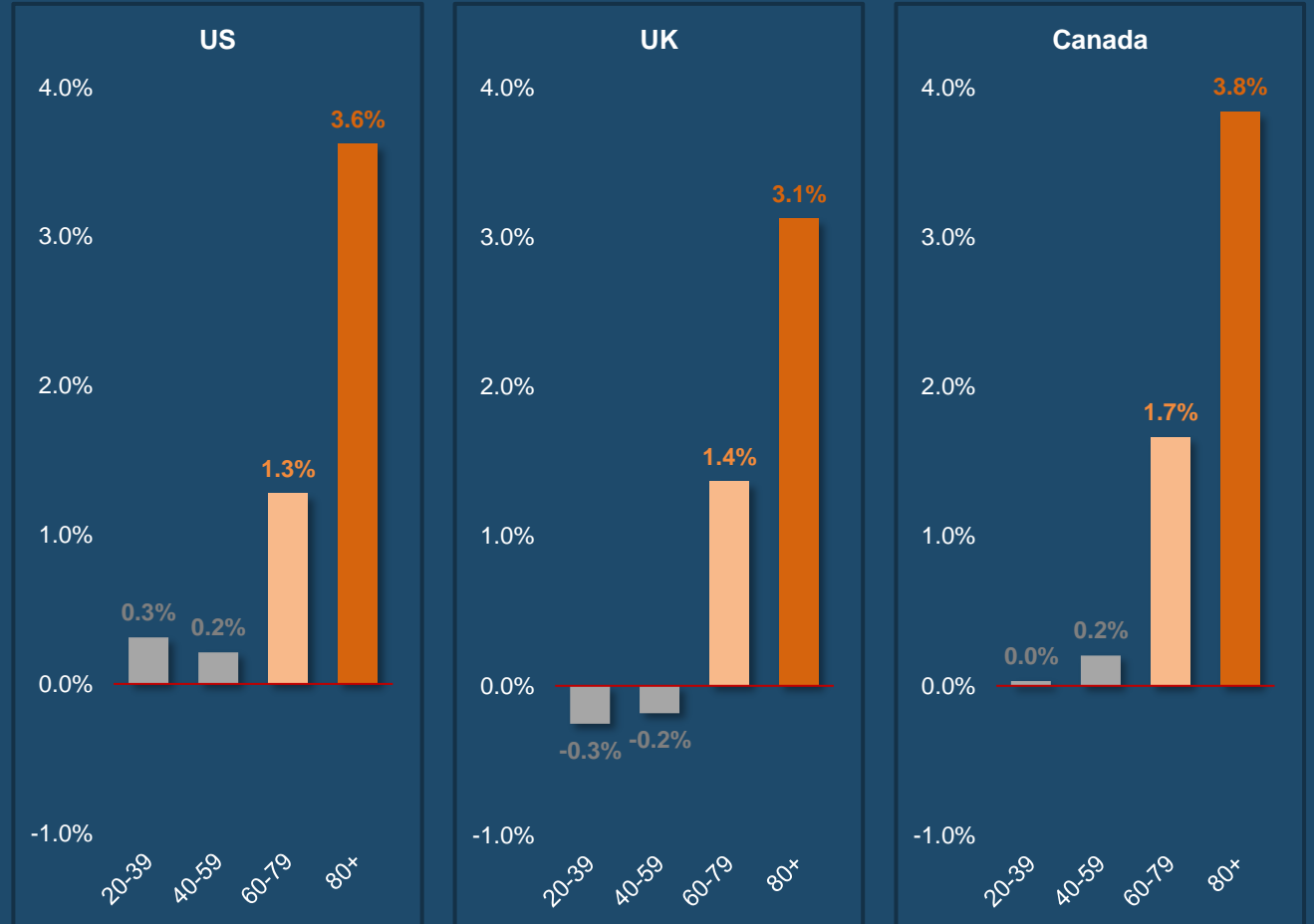


# Demographic Backdrop | Rapidly Aging Population

80+ Population CAGR | Historical and Projected<sup>(1)</sup>



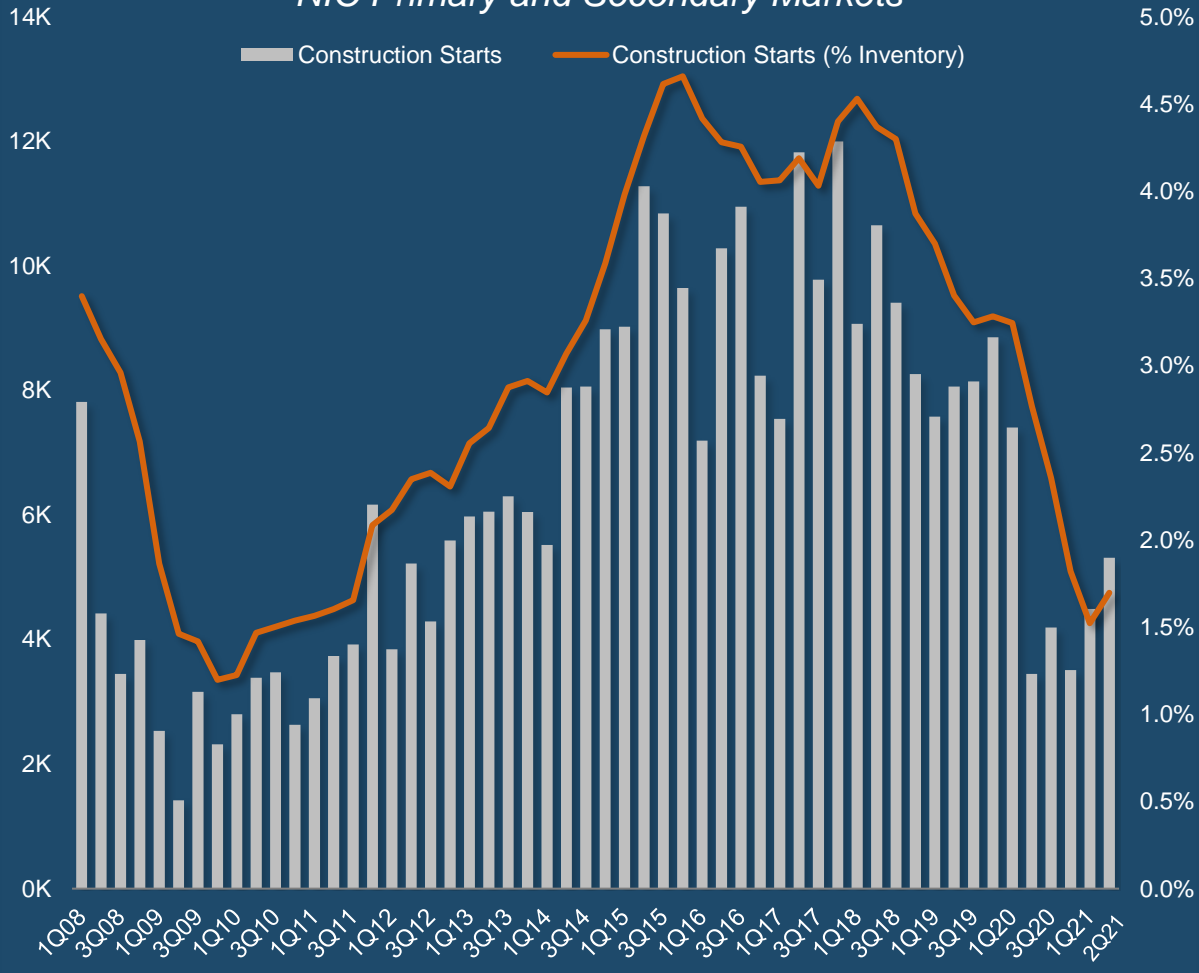
10 Year Population CAGR by Age Cohort | 2020 - 2029



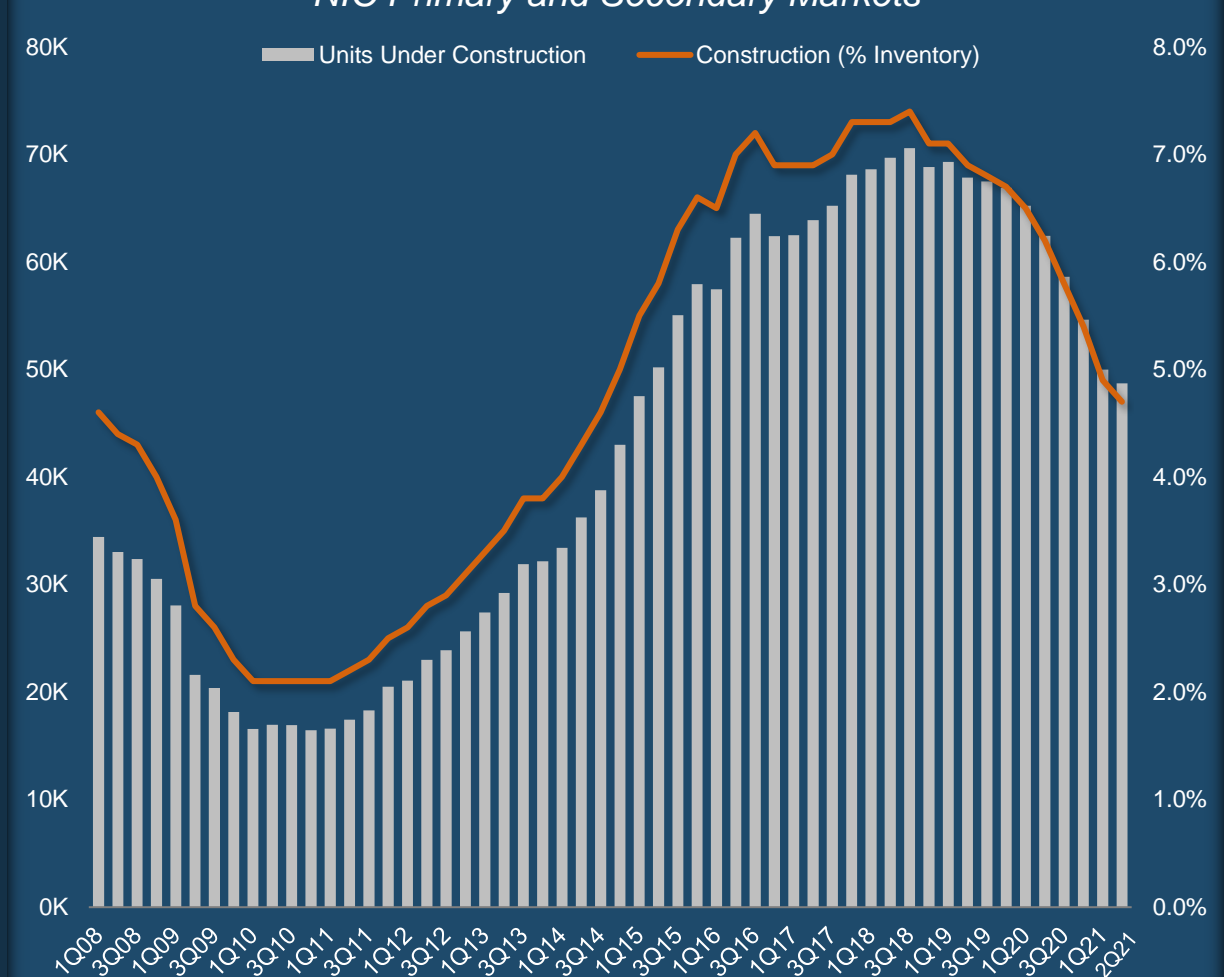
1. The Organisation for Economic Cooperation and Development (OECD)

# Seniors Housing Supply | Construction remains well below peak levels

**Seniors Housing Historical Supply<sup>(1)</sup>**  
*NIC Primary and Secondary Markets*

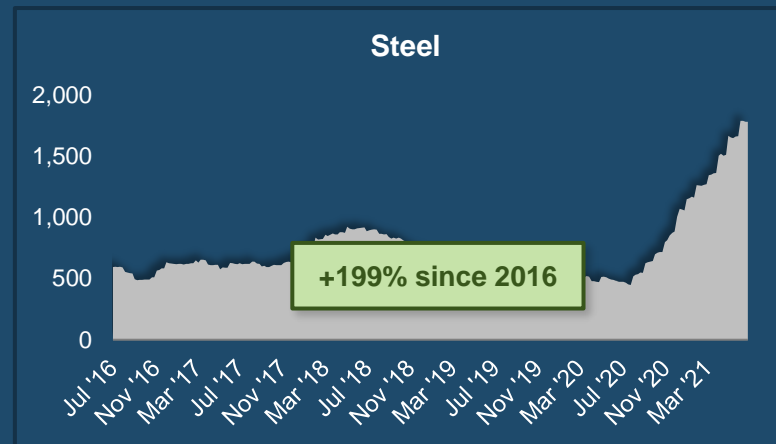
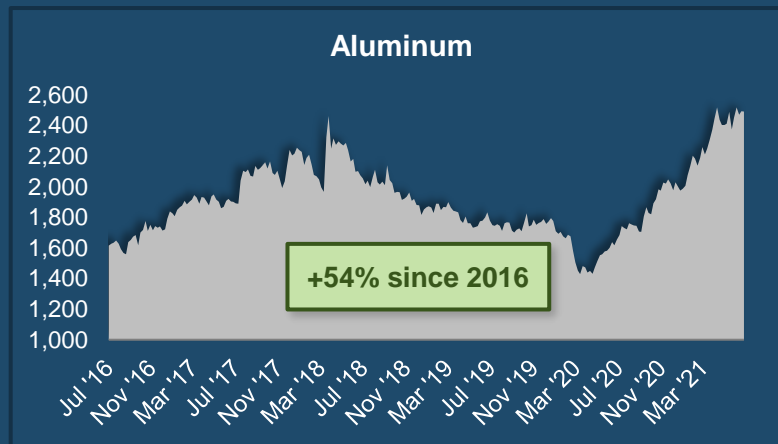
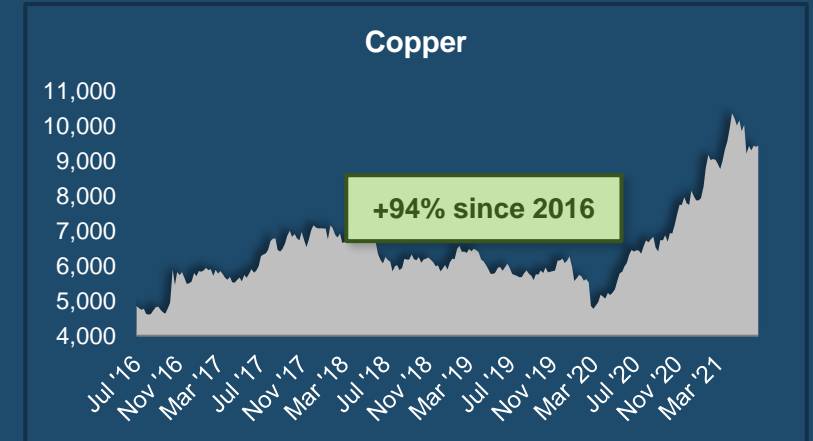
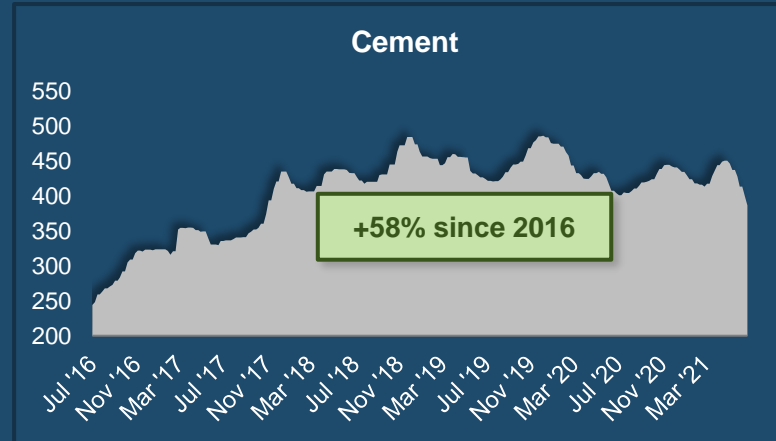
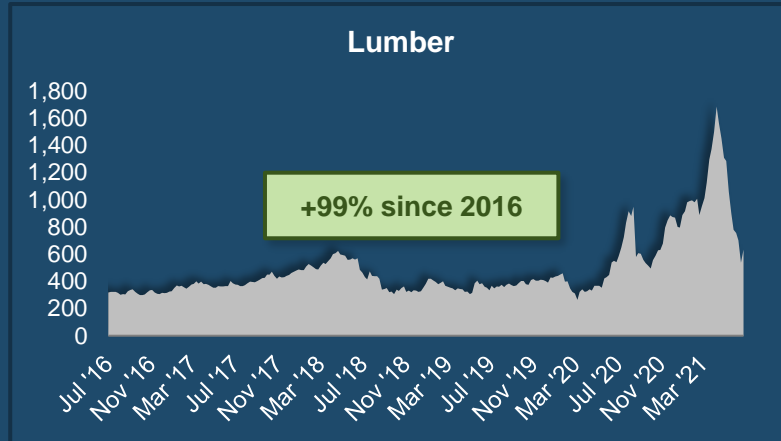


**Seniors Housing Historical Supply<sup>(1)</sup>**  
*NIC Primary and Secondary Markets*



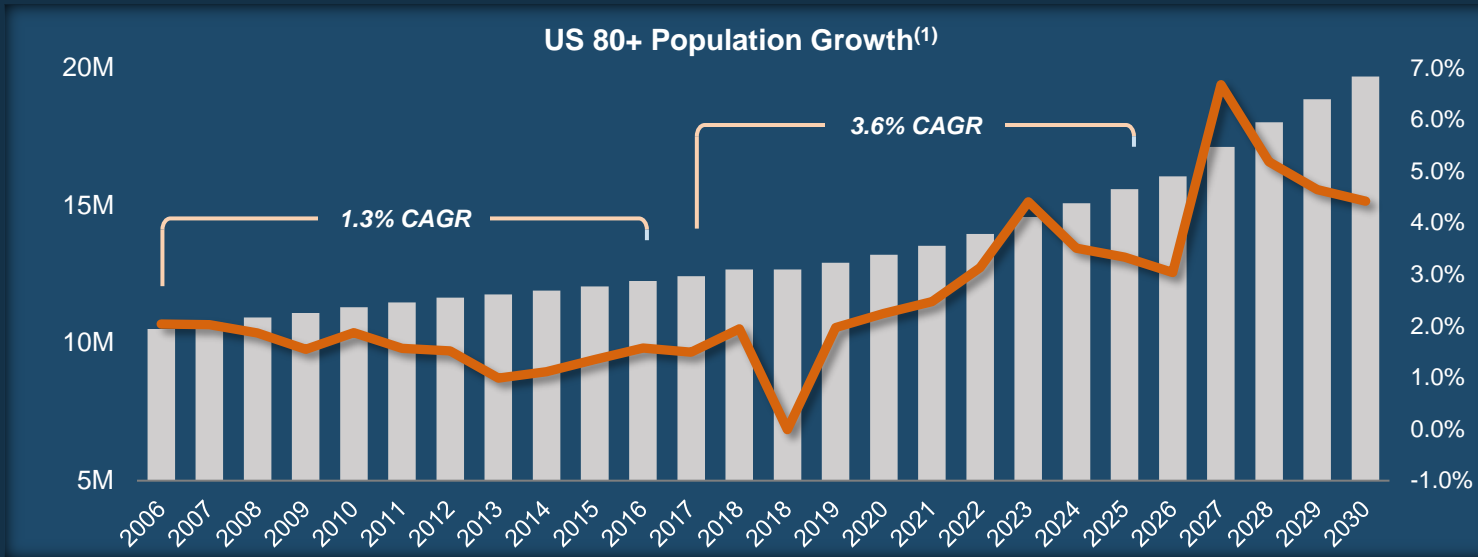
# Seniors Housing Supply | Surging Construction Costs

Material increase in cost of development for ALL RESIDENTIAL property types including SENIORS HOUSING



WEAKER DEVELOPMENT ECONOMICS LEADING TO SHARP DECLINE IN SENIORS HOUSING SUPPLY

# Post-COVID Recovery | Growth Opportunity



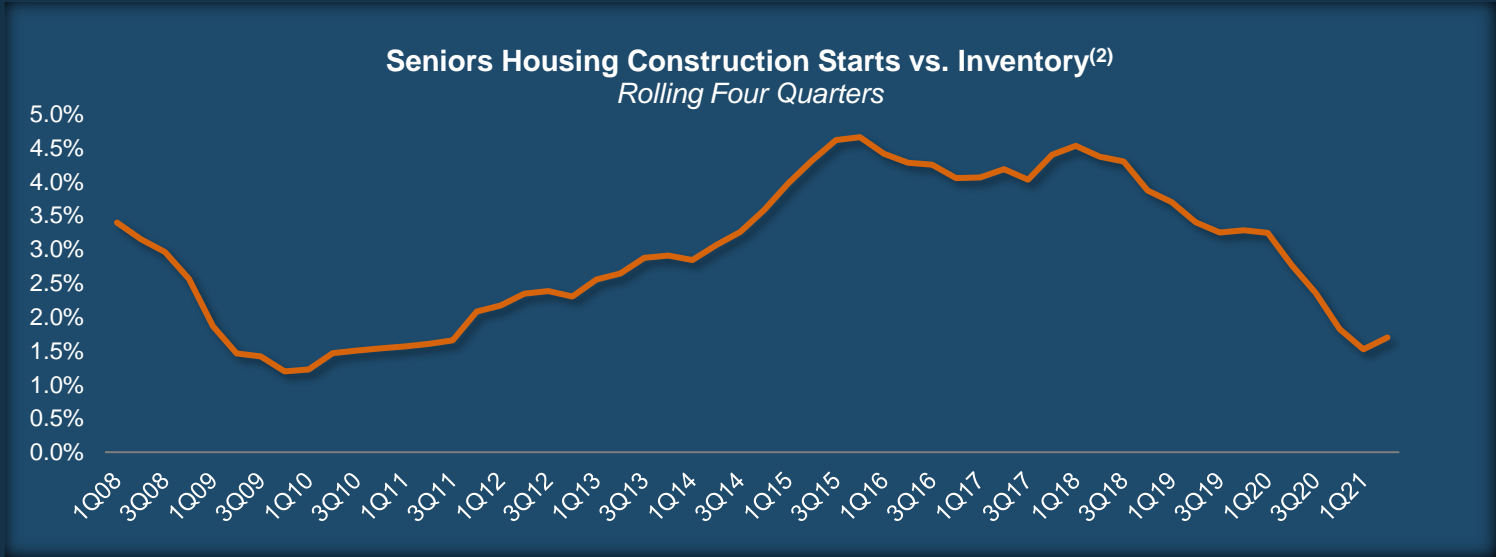
Demographic-driven  
Occupancy Recovery



Supply Deceleration



**Unique Opportunity for  
Significant NOI Growth**



1. The Organisation for Economic Cooperation and Development (OECD)  
2. NIC MAP, Primary and Secondary Markets

# SHO Portfolio | 2Q2021 Observations

## Revenues

- SHO portfolio spot occupancy increased 190bps in 2Q21, exceeding initial guidance of an approximate gain of 130bps
- 2Q2021 Same store REVPOR<sup>(1)</sup> (2Q2021 vs. 2Q2020):
  - Assisted Living properties increased 3.2%
  - Independent Living properties increased 2.8%
  - Seniors Apartments properties increased 5.3%
- Move in activity increased 48% sequentially in 2Q2021 as compared to 1Q2021
  - April and May move ins modestly below 2Q2019 levels; **June move ins exceeded 2Q2019 levels**
- Move out activity decreased 9% sequentially in 2Q2021 as compared to 1Q2021; declined 19% as compared 2Q2019

## Expenses

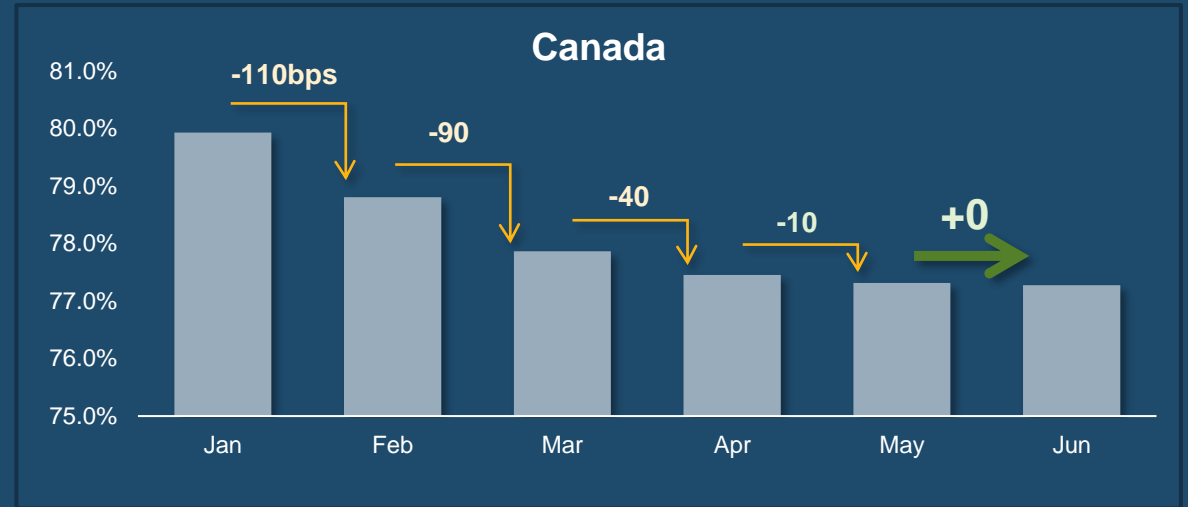
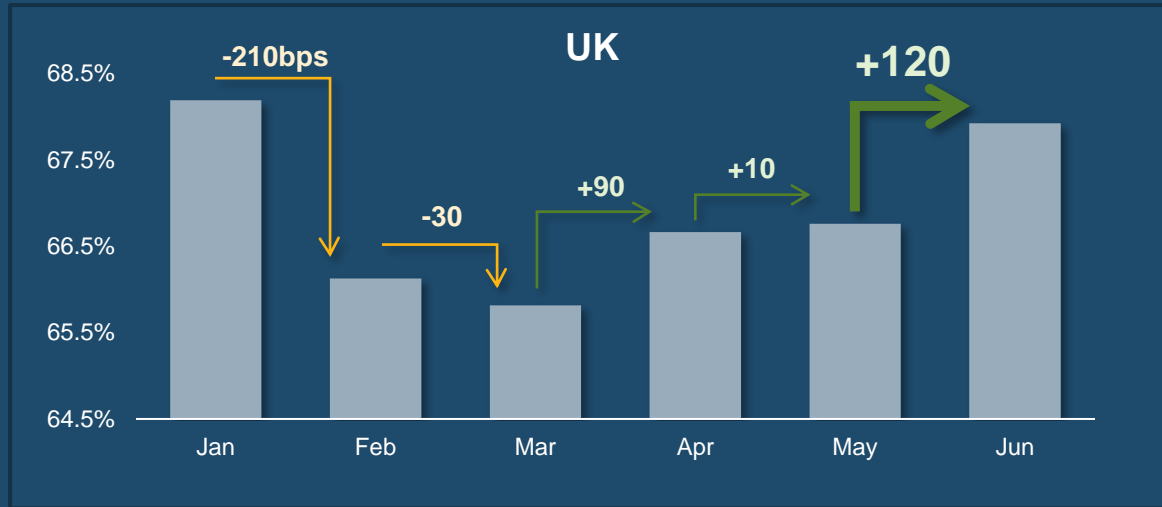
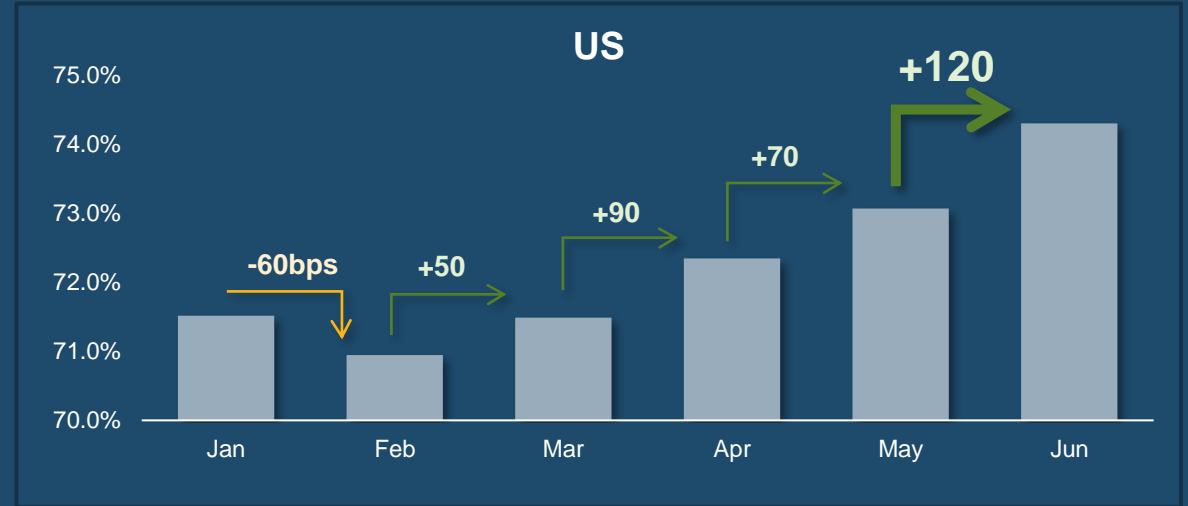
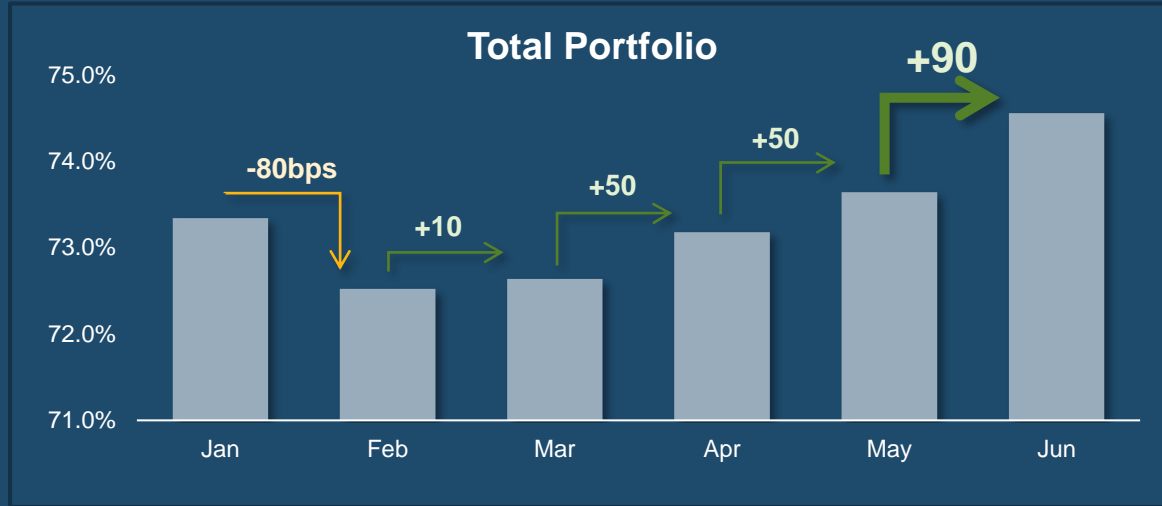
- Total same store pro rata expenses decreased modestly in 2Q2021 from 1Q2021. Lower COVID related expenses were offset, in part, by a rise in marketing and labor expenses following a re-opening of communities and increase in portfolio occupancy<sup>(2)</sup>
- Same store SHO portfolio incurred approximately \$8.9 million in pro rata COVID-related property level expenses, net of reimbursements in 2Q2021<sup>(3)</sup>
- Same store SHO portfolio COVID-related expenses declined approximately 40% sequentially in 2Q2021 and are expected to moderate further in 3Q2021. However, overall same store SHO portfolio expenses are expected to rise in 3Q2021 due to higher seasonal utility costs and greater labor utilization resulting from anticipated increase in occupancy levels

1. Represents SHO same store portfolio. See Supplemental Financial Measures at the end of this presentation for reconciliations

2. Refer to 2Q21 Supplemental Information published on July 29, 2021

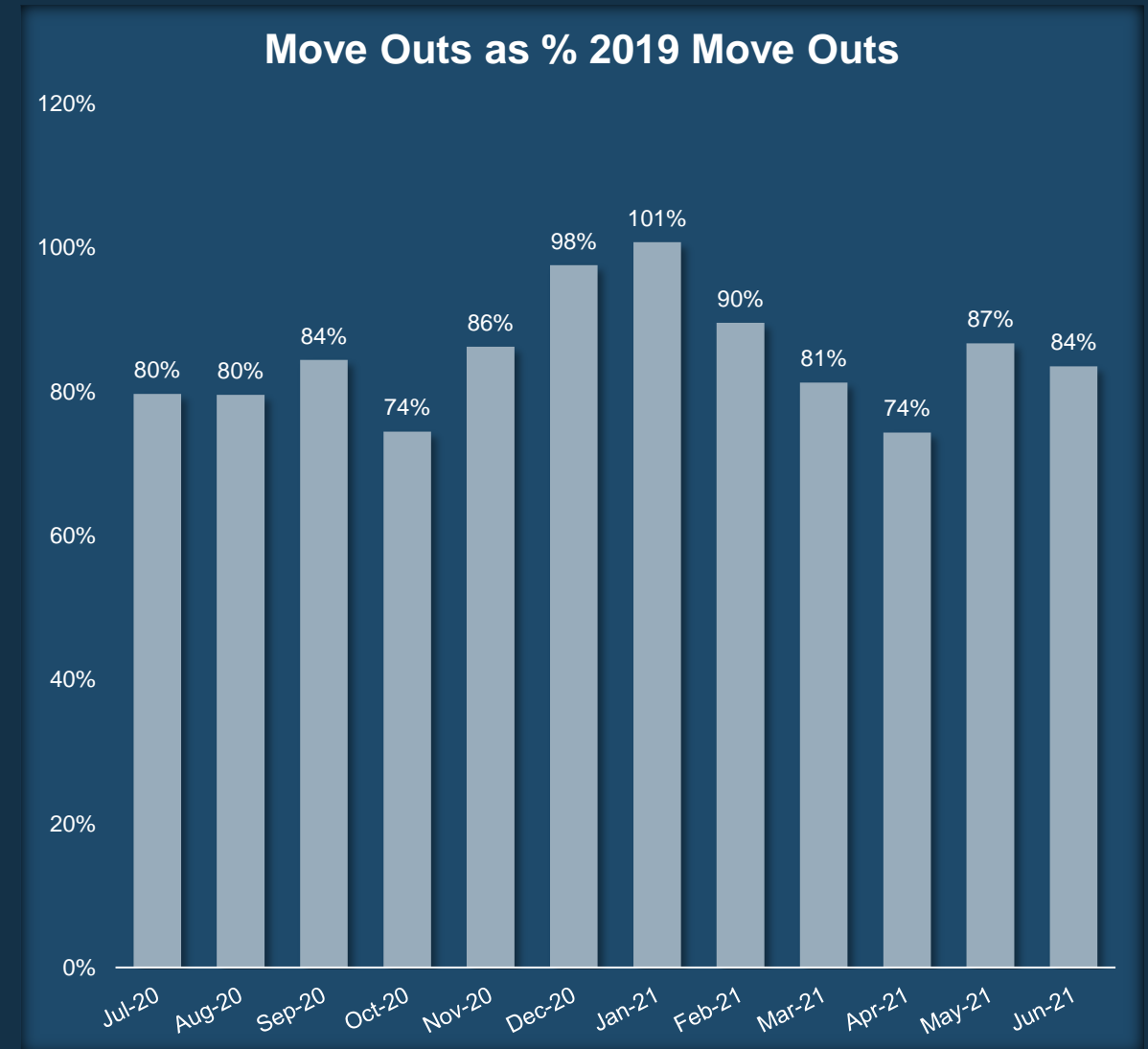
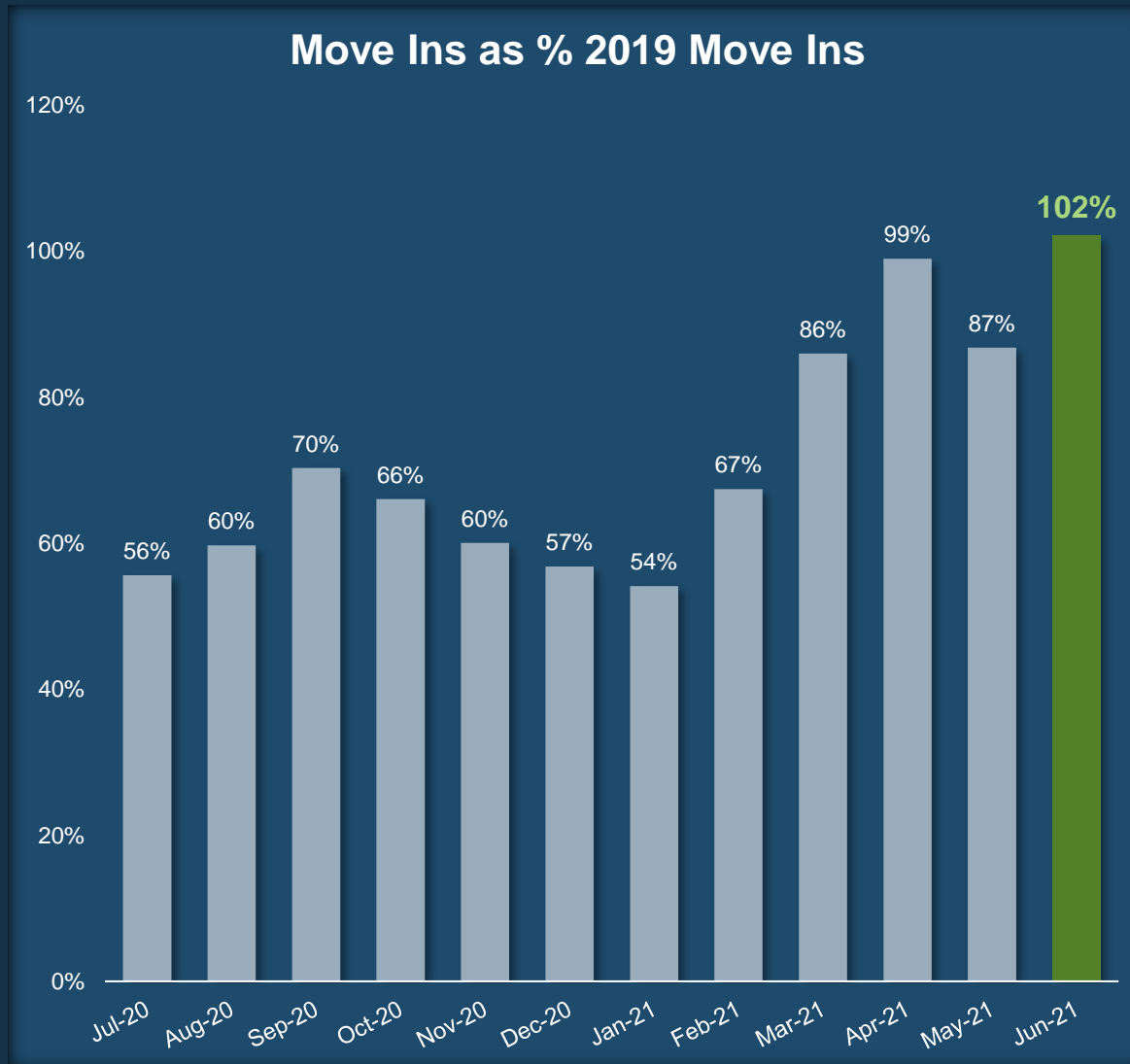
3. Reimbursements received during the second quarter of \$9.3 million related to the HHS Provider Relief Fund and similar reimbursements in the UK and Canada related to out of period expenses and have been excluded from same store NOI

# SHO Portfolio | Occupancy Trends<sup>(1)</sup>



1. Represents approximate month end pro rata occupancy for total SHO portfolio as of December 31, 2020, excluding executed dispositions. Approximate month end spot occupancy is as follows: **Total:** January – 73.3%; February – 72.5%; March – 72.6%; April – 73.2%; May – 73.6%; June – 74.6%; **US:** January – 71.5%; February – 70.9%; March – 71.5%; April – 72.3%; May – 73.1%; June – 74.3%; **UK:** January – 68.2%; February – 66.1%; March – 65.8%; April – 66.7%; May – 66.8%; June – 67.9%; **CA:** January – 79.9%; February – 78.8%; March – 77.9%; April – 77.5%; May – 77.3%; June – 77.3%

# SHO Portfolio | Move Ins & Move Outs<sup>(1)</sup>

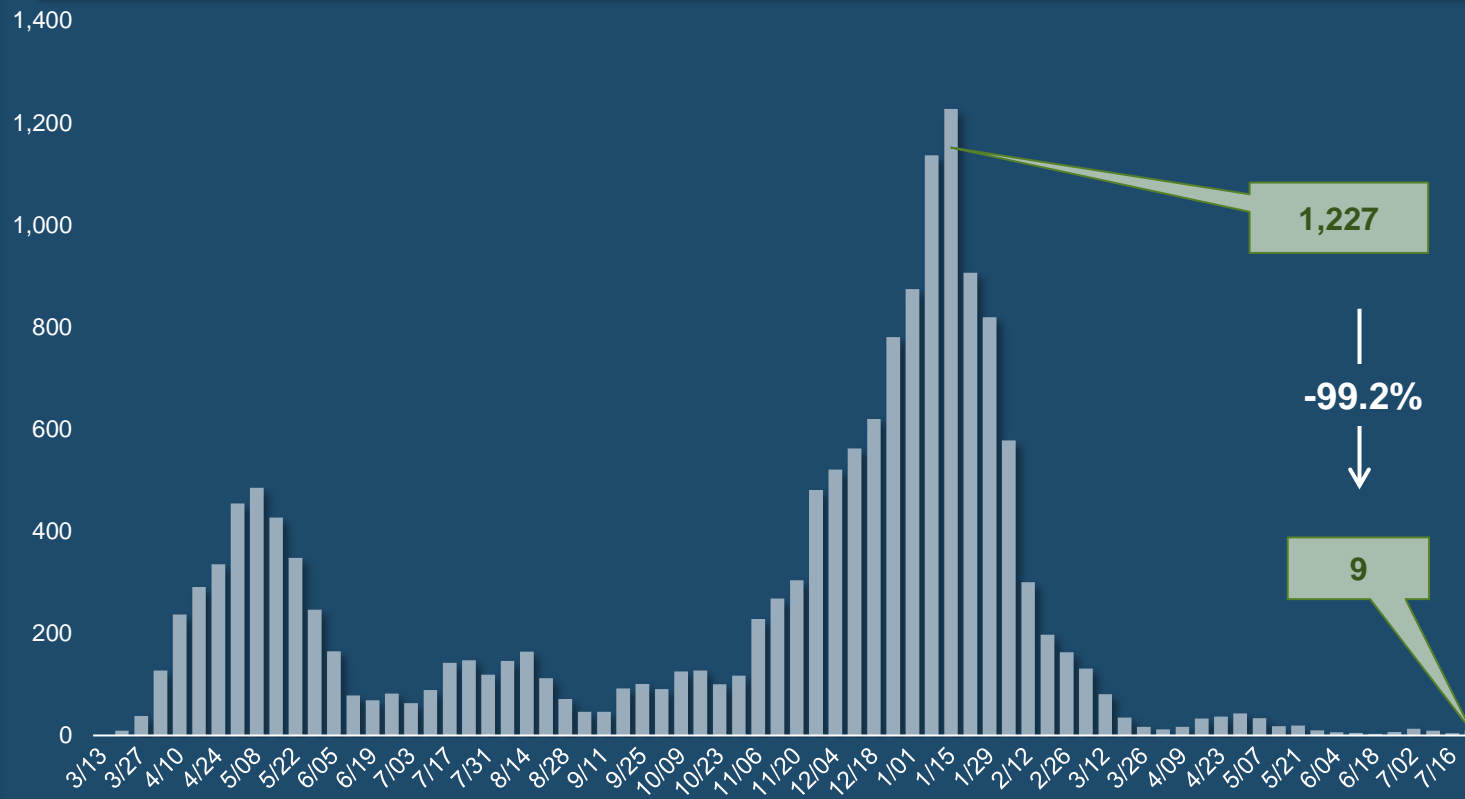


1. Move ins and move outs presented at Welltower pro rata share

# SHO Portfolio | COVID-19 Impact<sup>(1)</sup>

## Resident Case Counts Remain Near Pandemic Lows

✓ Lead generation for many communities has exceeded pre-COVID levels



## COVID-19 Impact

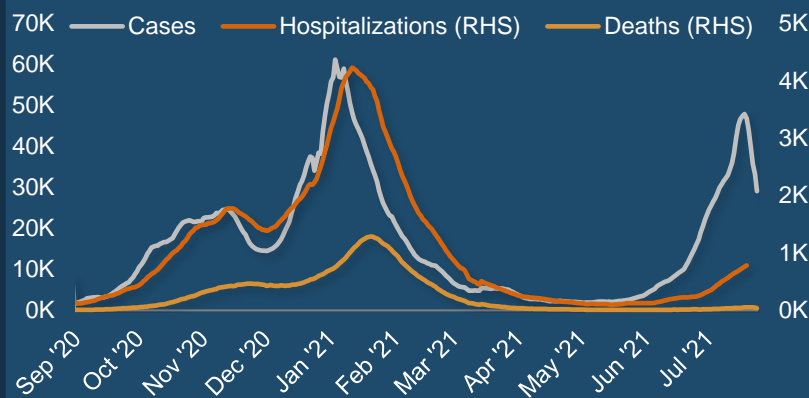
- **Trailing Two Week resident COVID-19 cases have remained near pandemic lows despite an increase in national cases across the US and UK**
- 99% of communities have zero reported resident COVID-19 cases on a trailing two week basis
- Virtually all communities are accepting new residents

## Operations Update

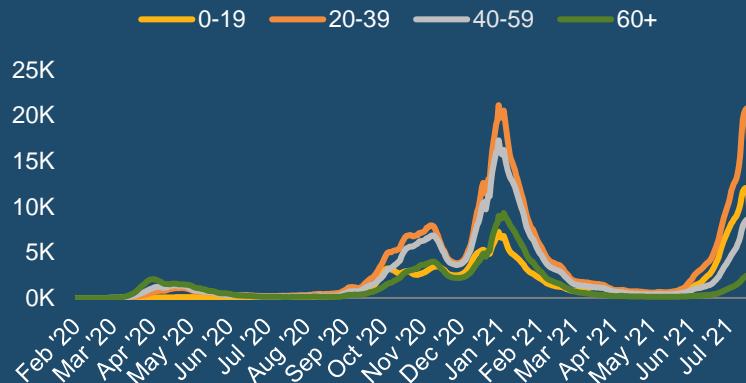
- Visitation restrictions have been eased at nearly all communities while maintaining strict adherence to state, local, and/or operator-imposed guidelines
- Most communities have opened communal dining and resumed social activities
- In-person tours and indoor visitation are being offered at virtually all communities
- Previous requirement to self-quarantine post move in has been removed at most properties if new resident is fully vaccinated and tested negative for COVID-19

# UK Resident Cases Remain Near Pandemic Lows Despite Surge in National COVID-19 Cases

**Cases, Hospitalizations and Deaths<sup>(1)</sup>**  
7-Day Moving Average



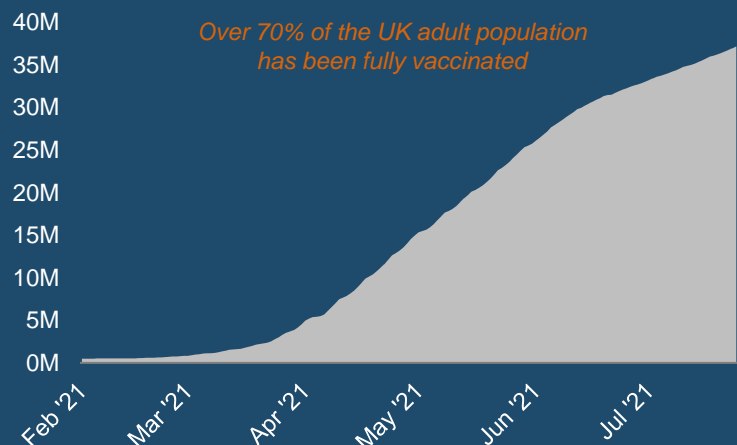
**England COVID Daily New Cases by Age<sup>(2)</sup>**  
7-Day Moving Average



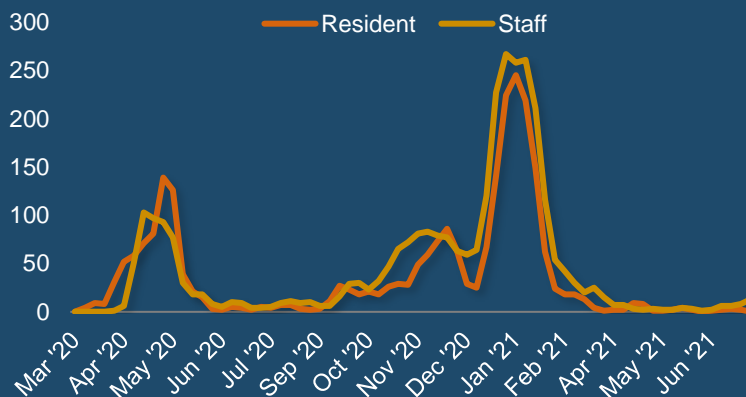
**UK COVID-19 Update<sup>(1,3)</sup>**

- Most recent COVID wave in UK largely driven by rise in infections amongst younger age cohorts
- National COVID cases have declined 31% since recent peak on July 20, 2021
- Overall hospitalizations and deaths across all age cohorts remain meaningfully below prior COVID waves
- Nearly 90% of the adult UK population has received the first dose of the COVID-19 vaccine; over 70% of the adult population has been fully vaccinated
- All UK care home workers must be vaccinated by October 2021, per government mandate

**UK Fully Vaccinated Individuals<sup>(1)</sup>**



**WELL UK SHO Portfolio**  
TTW Resident and Staff Cases<sup>(4)</sup>



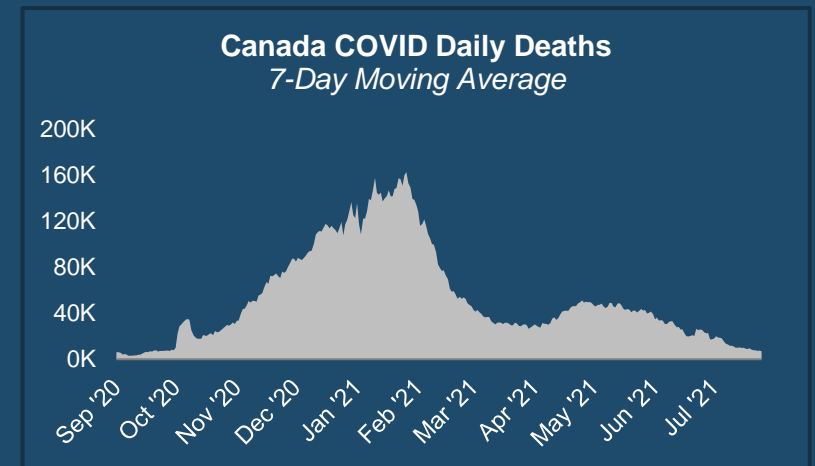
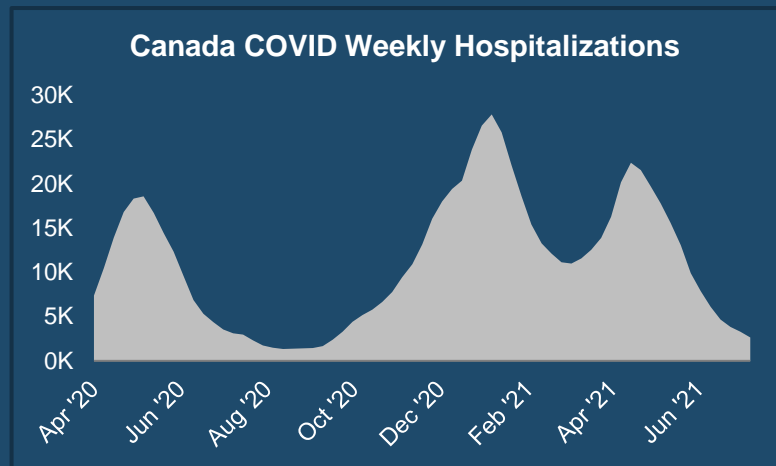
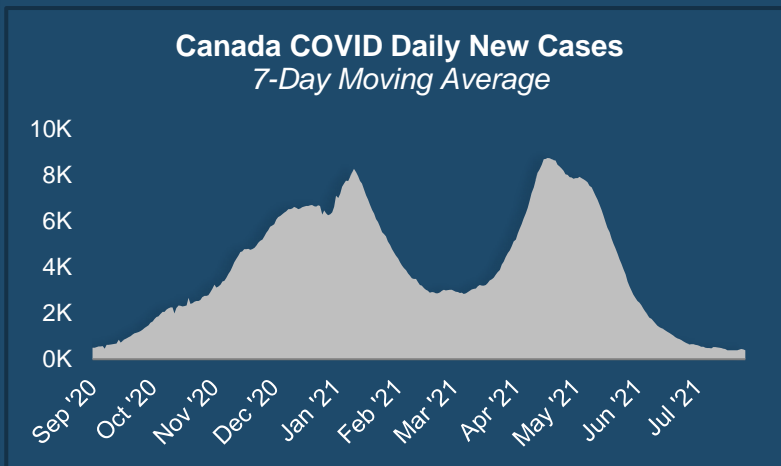
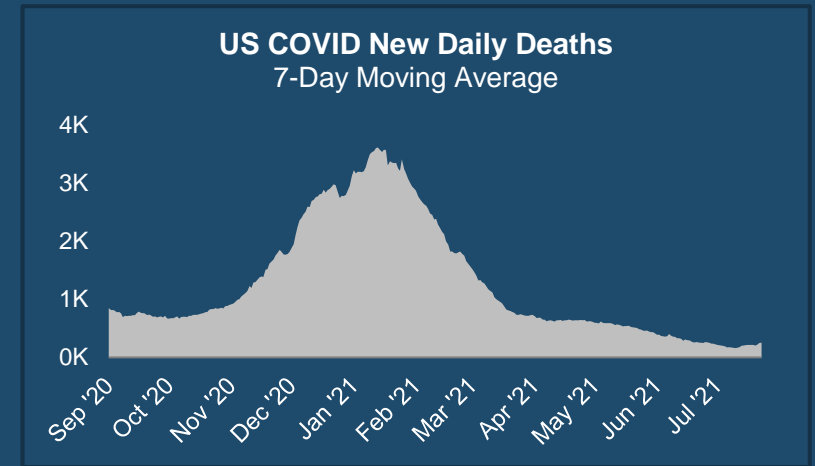
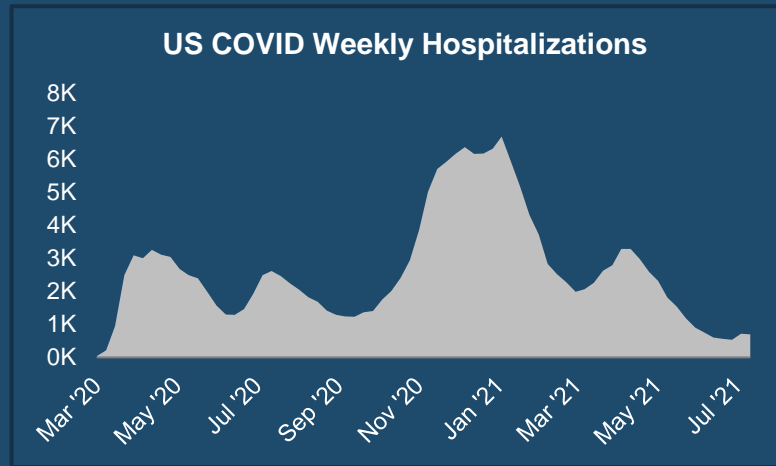
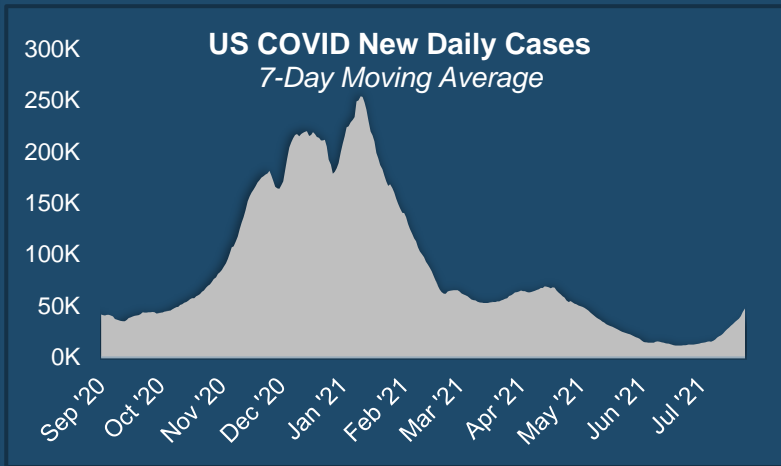
**Welltower UK Operations Update**

- UK COVID-19 resident cases remain low despite sharp increase in national cases
- 95%+ of residents and 80%+ of staff have been vaccinated
- 7 residents have tested positive on a trailing two week basis<sup>(4)</sup>
- All communities are open for tours and visitation while admissions bans have been local and temporary
- **Portfolio occupancy has increased approximately 280bps since pandemic-low during week of March 12**

1. Public Health England. Accessed 7/26/2021  
 2. COVID Daily New Cases by Age only available for England, as of 7/22/2021  
 3. <https://www.gov.uk/government/news/everyone-working-in-care-homes-to-be-fully-vaccinated-under-new-law-to-protect-residents>  
 4. All data presented as of July 23, 2021 as reported by operators

# COVID-19 | US & Canada Case Count & Vaccination Update<sup>(1,2)</sup>

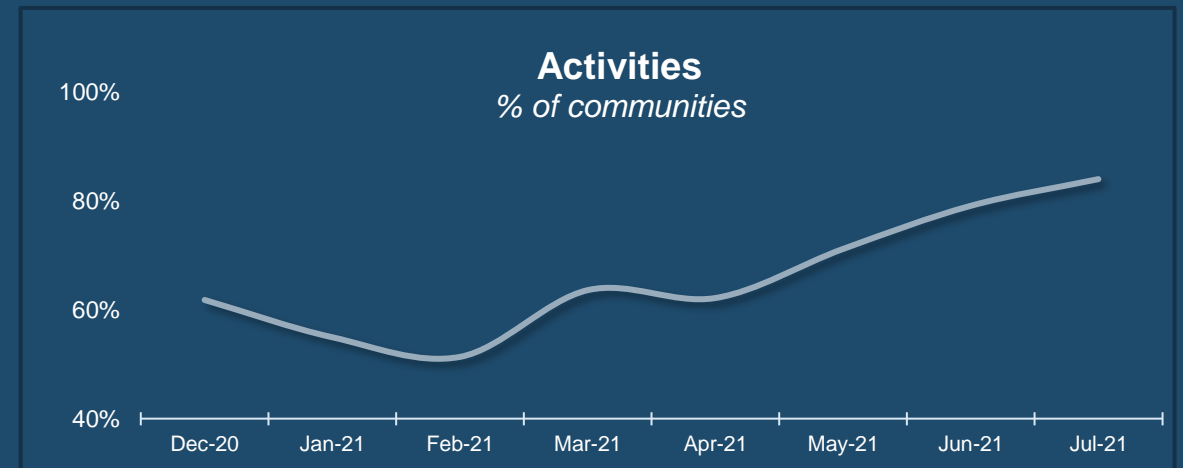
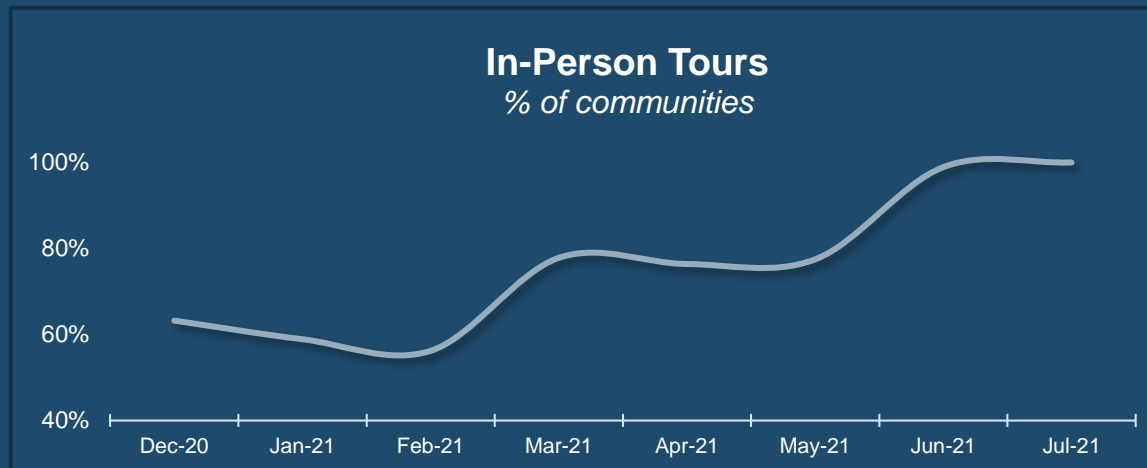
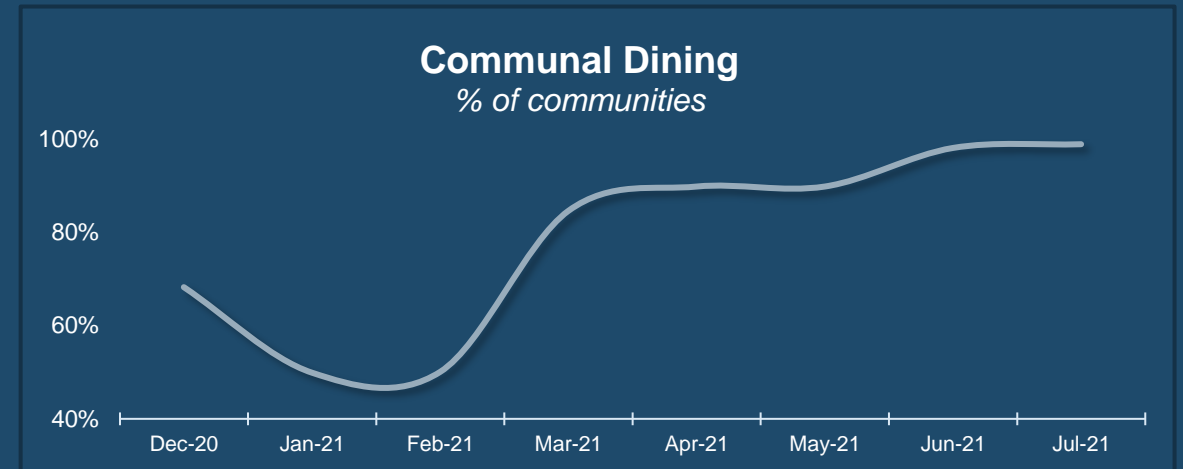
Significant decline in new COVID cases in Canada during recent months



1. Centers for Disease Control and Prevention. Accessed 7/26/2021  
2. Health Infobase Canada. Accessed 7/26/2021

# SHO Portfolio | Additional Community Details<sup>(1)</sup>

Nearly **ALL COMMUNITIES** across US, UK and Canada allowing **VISITATION, IN-PERSON TOURS** and **COMMUNAL DINING**



1. As of July 9, 2021, as reported by operators; has not been verified by Welltower

# SHO Portfolio | Path to Recovery

Category	NOI (\$M)
A) 1Q21 Portfolio – Core 1Q21 IPNOI (ex. HHS)	519
B) 1Q21 to 2Q21 Core IPNOI Growth	71
C) Core 1Q21 Portfolio to 2Q21 Stabilization Progress	\$590
D) Stable Portfolio Remaining Occupancy Recovery	300
E) Development, Lease-Up, Transitions and Acquisitions	108
F) 1Q21 Portfolio – Post COVID Recovery NOI	\$998
G) 2Q21 Acquisitions and Development Deliveries	29
H) 2Q21 Portfolio - Post COVID Recovery NOI	\$1,027

A) 1Q21 IPNOI excluding 2Q21 dispositions and Provider Relief Funds recognized in 1Q21

B) Core 1Q21 Portfolio – 1Q21 to 2Q21 IPNOI growth

C) 2Q21 IPNOI net of HHS (\$20M annualized) and in-quarter contribution from 2Q21 development and acquisitions (-\$4M annualized)

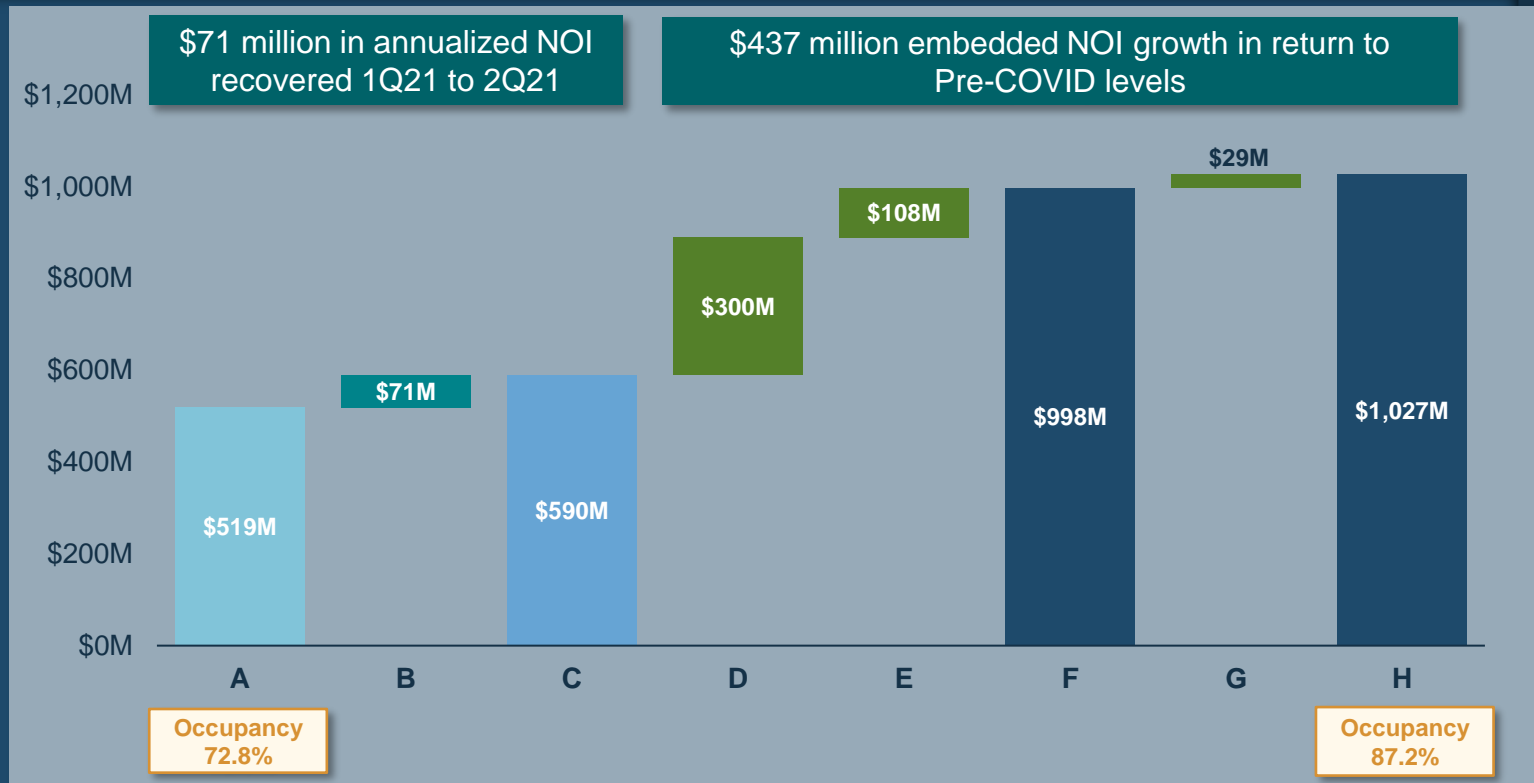
D) 4Q19 Stable Portfolio – Remaining incremental NOI from return to 4Q19 NOI levels

E) Remaining incremental NOI from the following: Lease-up portfolio as of 4Q19, development properties delivered subsequent to 4Q19 and SHO properties acquired subsequent to 4Q19 and prior to 2Q21. Incremental NOI driven by lease-up to underwritten stabilization. SHNNN to SHO Transitions - Properties transitioned to SHO from SHNNN subsequent to 4Q19. NOI stabilization assumes return to 4Q19 NOI

F) Core 1Q21 Portfolio Post-COVID Recovery NOI

G) Stabilized NOI of SHO properties acquired and development properties delivered in 2Q21

H) 2Q21 Portfolio Post-COVID Recovery NOI - Represents portfolio occupancy of 87.2% and operating margin of 30.1%



**Potential for ADDITIONAL UPSIDE assuming return to PEAK OCCUPANCY of 91.2% in 4Q2015**

# Sunrise UK Portfolio Optimization

## Overview

- Sunrise to exit the United Kingdom to refocus on North America growth initiatives including: ground-up development, redevelopment, lease-up of recently opened communities, and strategic acquisition of new management contracts
- Management of Sunrise properties in UK to be assumed by leading seniors housing operators, Signature Senior Lifestyle and Care UK. All parties are working collaboratively to help ensure a smooth management transition by year-end 2021
- **Existing Sunrise community staff to remain in place to provide continuity in services and a seamless transition**
- **Strong alignment between Welltower and Care UK and Signature through new RIDEA 3.0 management contracts with a focus on both top and bottom-line financial metrics and other long-term incentives**

## Care UK

- Welltower to form new relationship with Care UK, a best-in-class care home provider in the UK operating 123 communities across England and Scotland with a focus on higher acuity residents
- Care UK is a leader in quality with a 40-year track record, seasoned management team, and advanced management systems
- Prolific seniors housing developer and operator with 56 new communities successfully opened over the past decade
- Strong position in private pay market with regional strength in relevant geographies
- Provides Welltower with a combination of external growth and portfolio optimization opportunities

## Signature Senior Lifestyle

- Signature Senior Lifestyle was established in 2006 and has developed into a market leader in the premium private pay segment offering residential, nursing and dementia care in affluent locations in the London metropolitan area
- Both Signature and Sunrise share similar operating characteristics in terms of resident profile, acuity mix and geography
- Signature has historically generated operating margins at or near the high-end of the UK senior housing sector<sup>(1)</sup>
- Management company owned by Revera, a Canada-based owner, operator, and investor in the senior living sector and long-time partner of Welltower
- Several members of Signature's leadership team formerly held senior management roles at Sunrise, or were deeply involved in developing Sunrise properties



Sunrise of Guildford | Guildford, UK



Sunrise of Elstree | Borehamwood, UK

1. LaingBuisson Care Homes for Older People UK Market Report, 2021

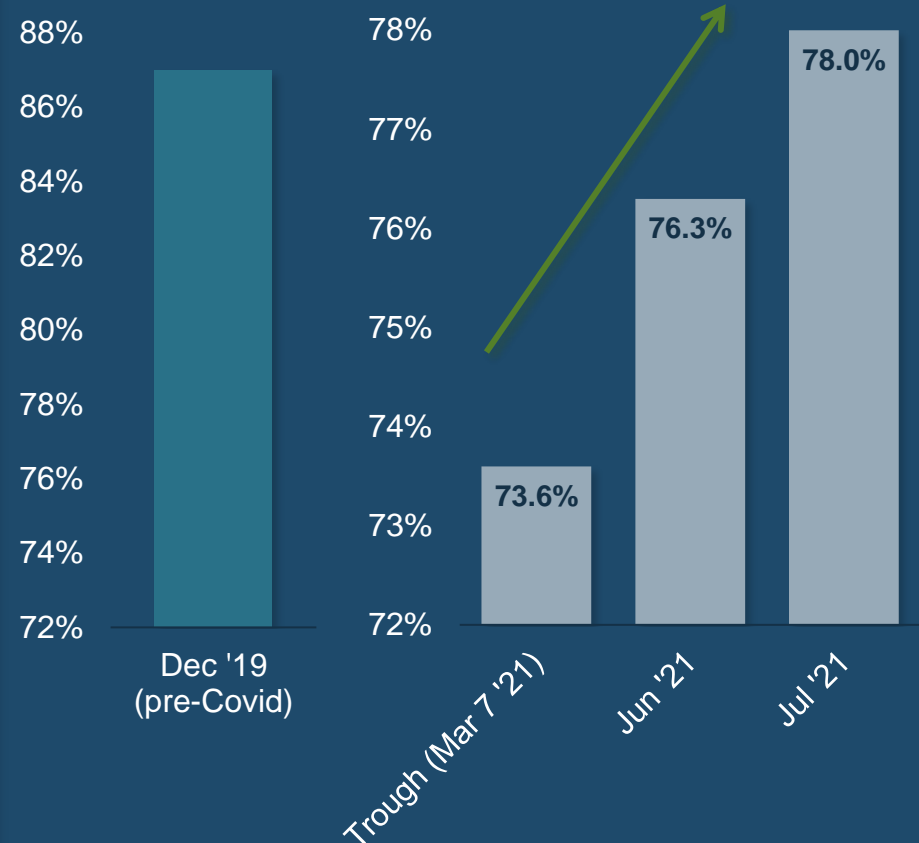
# Holiday Acquisition | Operational Update<sup>(1)</sup>

## Recent operational strength consistent with WELL US SHO Portfolio

- ✓ All communities are open and accepting new residents
- ✓ Portfolio spot occupancy has increased approximately 180bps during 2Q2021
  - On track for five consecutive months of occupancy gains
- ✓ 2Q2021 move-ins exceeded 2Q2019 levels by 12%
- ✓ Length of stay has recently increased to 32 months vs. 26 months during pandemic period
- ✓ COVID as a reason for “not moving in the next 30 days” declined from an average of 2.3% of leads in 1Q2021 to 0.3% of leads in 2Q2021
- ✓ As of July 15, 2021, all new staff hires must be vaccinated



### Occupancy Gain of 440bps Since March '21 Trough



1. As of July 26, 2021, as reported by Holiday

# Balance Sheet & Investments Update

# Balance Sheet & Investment Highlights

*In millions*

## 2021 Year To Date Highlights

### Balance Sheet:

- On June 4, 2021, closed on an expanded \$4.0 billion unsecured revolving line of credit bearing interest of LIBOR plus 77.5 bps, representing a 5bps improvement from pricing under the previous unsecured revolving line of credit
- Net debt/Adjusted EBITDA of 6.8x as of June 30, 2021<sup>(1)</sup>; SHO portfolio occupancy and margin recovery will likely drive further improvement to leverage metrics in future quarters
- Efficiently issued \$1.8 billion of equity through at-the-market program via forward sale agreements
- No material unsecured debt maturities until 2024 following recent debt repayments

### Notable Acquisitions/Dispositions:

- HC-One: Completed a £540M (\$750M) senior loan advancement to HC-One in April 2021. Debt, equity, and warrant investments are expected to generate an unlevered IRR in the mid-teens range. Investments across capital stack made at a significant discount to replacement cost & create opportunity to participate in post-COVID fundamental recovery
- Holiday: Announced the acquisition of an 86 property seniors housing portfolio for \$1.58 billion. Transaction to be completed at a 6.2% initial yield with approximately 76% occupancy and expected to be immediately accretive to normalized FFO per diluted share<sup>(1)</sup> post closing. Anticipate low double digit unlevered IRR to WELL
- Genesis: Announced substantial exit of Genesis Healthcare operating relationship through real estate transactions totaling \$880 million, or \$144,000 per bed. WELL contributed 9 PowerBack facilities currently operated by Genesis into existing JV with ProMedica for total value of \$292 million. Will recognize 8.5% unlevered IRR over full term of Genesis HealthCare relationship.

### Near-term capital deployment pipeline remains robust across a wide range of opportunities

## Sources

Cash and Cash Equivalents <sup>(2)</sup>	\$764
Remaining Proceeds from At-the-Market Equity Issuance <sup>(3)</sup>	\$1,390
Expected Proceeds from Assets Held for Sale <sup>(4)</sup>	\$699
<b>Total Near-Term Identified Sources</b>	<b>\$2,853</b>
Line of Credit Capacity	\$4,000
<b>Total Near-Term Available Liquidity</b>	<b>\$6,853</b>

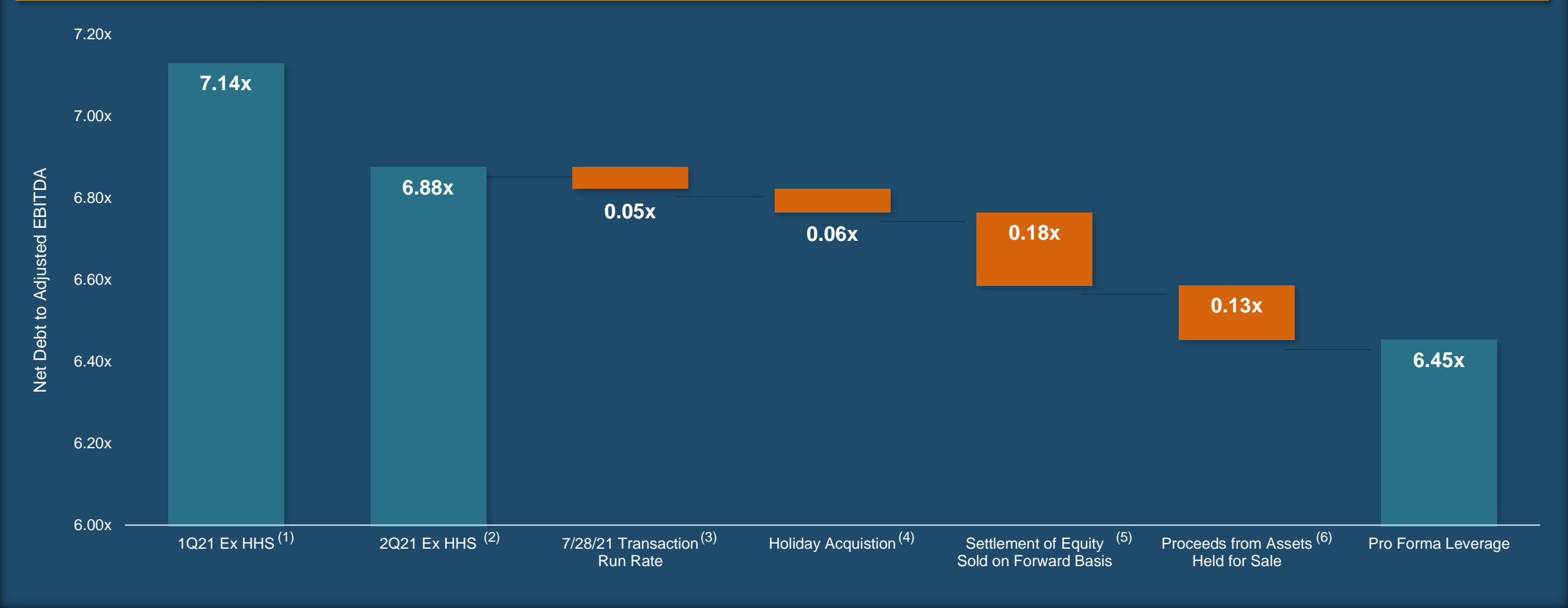
## Uses

Holiday Portfolio Acquisition	\$1,580
2021 Development Funding	\$288
<b>Total Near-Term Uses</b>	<b>\$1,868</b>

1. See Supplemental Financial Measures at the end of this presentation  
2. Cash balance of \$764 million as of June 30, 2021, including cash and cash equivalents and IRC Section 1031 deposit  
3. Shares issued through WELL's at-the-market program on a forward basis not yet settled through July 28, 2021  
4. Includes 2Q2021 assets held for sale of \$735 million as of June 30, 2021 less \$36 million related to dispositions closed subsequent to quarter end as of July 28, 2021

# Pro Forma Leverage

Nearly 0.7x reduction in pro forma Net Debt/Adjusted EBITDA since 1Q2021



1. Represents 1Q2021 Net Debt to Adjusted EBITDA as reported of 6.59x, pro forma adjusted to remove \$35 million of HHS Provider Relief Funds received in 1Q2021 that are not matched to expenses incurred during the same period

2. Represents 2Q2021 Net Debt to Adjusted EBITDA as reported of 6.80x, pro forma adjusted to remove \$5 million of HHS Provider Relief Funds received in 2Q2021 that are not matched to expenses incurred during the same period

3. Includes pro forma adjustments to reflect acquisition and disposition activity in 2Q2021 and closed acquisition and disposition activity in 3Q2021 through July 28, 2021 as if all transactions occurred on April 1, 2021

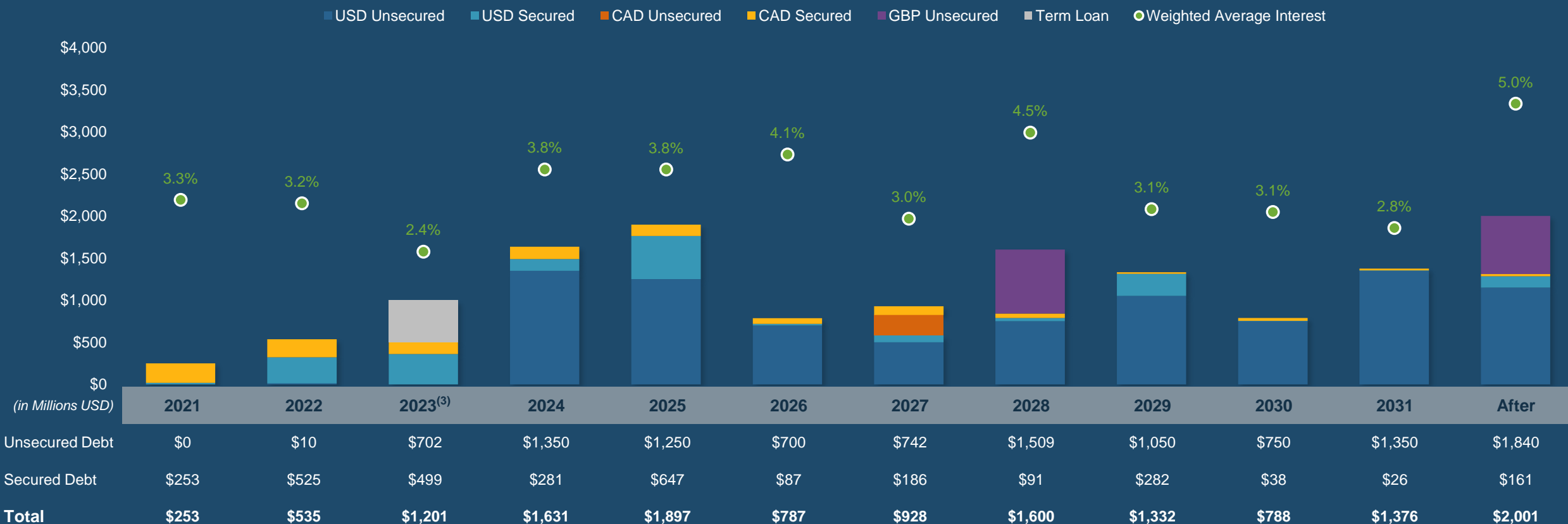
4. Includes pro forma adjustment for the acquisition of 86 Holiday properties for \$1.58 billion at 6.2% yield assuming capitalization of 65% equity and 35% debt as if the transaction occurred on April 1, 2021

5. Includes pro forma adjustment to reflect proceeds of \$358 million from the settlement of shares issued through WELL's at-the-market program on a forward basis not yet settled through July 28, 2021 (\$1.4 billion less \$1.0 billion in proceeds related to shares settled for the pro forma Holiday acquisition)

6. Includes pro forma adjustment to reflect proceeds of \$699 million related to 2Q2021 assets held for sale of \$735 million as of June 30, 2021 less \$36 million related to dispositions closed subsequent to quarter end as of July 28, 2021

# Well-Laddered Debt Maturity Schedule<sup>(1,2)</sup>

## Weighted Average Maturity of 7.4 Years



1. Represents pro rata principal amounts due and excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet. Excludes lease liabilities relating to both finance and operating leases
2. Our unsecured commercial paper program and our unsecured revolving credit facility had a zero balance as of June 30, 2021. The unsecured revolving credit facility is comprised of a \$1,000,000,000 tranche that matures on June 4, 2023 and a \$3,000,000,000 tranche that matures on June 4, 2025. Both tranches may be extended for two successive terms of six months at our option. Available borrowing capacity of our unsecured revolving credit facility was \$4,000,000,000 as of June 30, 2021
3. 2023 includes a \$500,000,000 unsecured term loan and a CAD \$250,000,000 unsecured term loan (approximately \$201,525,000 USD at June 30, 2021). The loans mature on July 19, 2023. The interest rates on the loans are LIBOR + 0.9% for USD and CDOR + 0.9% for CAD.

# Capital Deployment | Value-Driven Investment Thesis

## Capital Deployment Volume since 4Q20

**\$4.0B** GROSS INVESTMENTS<sup>(1)</sup>

- ✓ Initial yield in excess of 6.5%; Year 3 yield expected to exceed 9%
- ✓ Low last dollar exposure and innovative structure offer downside protection
- ✓ Expected to generate high single digit to mid-teens unlevered IRRs to WELL



## Granular & Off-Market Transactions

**37** TOTAL TRANSACTIONS<sup>(1)</sup>  
**181** OM and SH PROPERTIES ACQUIRED  
**17,163** SENIORS HOUSING UNITS ACQUIRED

- ✓ Predictive analytics and exclusive operator relationships used to execute off-market investments
- ✓ Maximizing risk-adjusted return to WELL through creative investments across the capital stack
  - Debt investments offer equity upside in form of warrants and/or bargain purchase options
- ✓ Seniors housing acquisitions executed at a median investment of \$16.6 million per property



## Significant Discount to Replacement Cost

**\$161k per unit** Average Last dollar basis US transactions

**£40k per unit** Average Last dollar basis UK transactions

- ✓ Investments made at significant discount to replacement cost offer enhanced downside protection
- ✓ Limited recent market transactions priced above replacement cost serves to further curtail new supply



1. Includes pro rata gross investments across acquisitions and loans and previously announced Holiday portfolio acquisition

# Foundation for Long-Term Growth Established

Opportunity to deploy in excess of \$10 billion across ALL asset classes over next decade

NEW and PROPRIETARY long-term relationships with best-in-class developers and operators with either exclusive rights or right of first offer

**\$1B**

Expected average annual capital deployment from newly formed **exclusive ventures**

**13**

Newly Formed Relationships

**+** **2**

Recently Agreed to/  
In-Process Relationships



**New relationships formed during depths of COVID-19 pandemic to create visible and significant long-term capital deployment opportunities**

**Centralized Capital Allocation; Decentralized Execution**

# HC-One Investment

## Follow-On Investment

- Agreed to first follow-on transaction with HC-One through acquisition of newly developed 71-unit community
- Acquisition is expected to be immediately accretive to WELL's normalized FFO attributable to common stockholders per diluted share
- WELL holds Right of First Offer ("ROFO") on future acquisition and development opportunities

## Debt Investment

**WELL's initial debt investment of £540M is secured by the corporate credit of HC-One as well as first mortgage rights on real estate owned by HC-One**

- In April 2021, WELL completed a £540M (\$750M) senior loan advancement to HC-One
- An additional £30M (\$42M) delayed facility is available for working capital and capital expenditures
- Significant durability of income stream with loan maturity in 2026

### Downside Protection

- Loan is collateralized by first mortgage rights on 282 properties owned by HC-One<sup>(1)</sup>
- WELL's last pound basis on the total loan amount of £540M (\$750M) is approximately £40,000 per unit<sup>(1)</sup>, representing a substantial discount to replacement cost

## Warrants and Equity Investment

**As part of the transaction, WELL received warrants allowing for participation in post-COVID recovery in UK seniors housing fundamentals**

- WELL has the highest priority in the capital stack after WELL's secured loan to HC-One
- Warrants allow for economic participation in any distributions prior to exit and equity returns above the relevant strike price upon exit

**WELL's participation in the recapitalization includes an equity investment**

- Enterprise value for equity pricing is attractive and represents a substantial discount to replacement cost of the portfolio

**Transaction is expected to result in low-to-mid teens IRR to WELL**

# Holiday Acquisition | Transaction Summary

*Significant Upside Potential Through Occupancy Growth & Operating Margin Expansion Opportunity*

*Meaningful Alignment of Interest Between Atria & Welltower*

WELL to acquire 86 Holiday communities for approximately \$152,000 per unit, representing a discount to estimated replacement cost in excess of 30%

- Atria Senior Living to acquire Holiday Retirement. Combined Atria and Holiday entity to operate WELL portfolio communities
- **The transaction is expected to be immediately accretive to WELL's next twelve months normalized funds from operations at approximately \$0.10 per diluted share; anticipated unlevered IRR in low double-digit range<sup>(1)</sup>**
- Initial cash cap rate of 6.2% on occupancy of 76.3% as of June 20, 2021
- Welltower and Atria have agreed to a strongly-aligned enhanced RIDEA 3.0 management contract based on both top and bottom-line financial metrics
  - The contract will include significant promote opportunities to Atria upon achievement of certain long-term financial thresholds

Atria to assume operations of the portfolio following its acquisition of the Holiday management company which was announced on June 21, 2021

- Atria is intimately familiar with Holiday-managed assets, having assumed operations of 50 Holiday properties in the US and Canada in recent years
- Atria expects to integrate Holiday's corporate staff and retain its experienced and highly-reputed management team, thereby de-risking the transaction

## SIGNIFICANT MULTI-YEAR CASH FLOW GROWTH AND VALUE CREATION POTENTIAL THROUGH POST-COVID FUNDAMENTAL RECOVERY

- ✓ Portfolio is expected to deliver **substantial cash flow growth** in future quarters and in coming years as occupancy growth accelerates from near-trough levels of 76.3%
- ✓ **Favorable seniors housing demand/supply backdrop** suggests that occupancy may exceed prior peak levels in the low 90%-range
- ✓ **Meaningful value creation potential** through reinvestment in assets and properties with higher and better use and integration of Atria's operating platform

# Supplemental Financial Measures

# Non-GAAP Financial Measures

We believe that revenues, net income and net income attributable to common stockholders ("NICS"), as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), are the most appropriate earnings measurements. However, we consider Funds From Operations ("FFO"), Normalized FFO, Net Operating Income ("NOI"), In-Place NOI ("IPNOI"), Same Store NOI ("SSNOI"), REVPOR and Same Store REVPOR ("SS REVPOR"), EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Excluding EBITDA and Adjusted EBITDA these supplemental measures are disclosed on our pro rata ownership basis.

Pro rata amounts are derived by reducing consolidated amounts for minority partners' noncontrolling ownership interests and adding our minority ownership share of unconsolidated amounts. We do not control unconsolidated investments. While we consider pro rata disclosures useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Our management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management.

None of the supplemental reporting measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental reporting measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

# || FFO and Normalized FFO

Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO attributable to common stockholders, as defined by NAREIT, means net income attributable to common stockholders, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairments of depreciable assets, plus real estate depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests. Normalized FFO attributable to common stockholders represents FFO adjusted for certain items detailed in the reconciliations.

Normalizing items include adjustments for certain non-recurring or infrequent revenues/expenses that are described in our earnings press releases for the relevant periods.

We believe that Normalized FFO attributable to common stockholders is a useful supplemental measure of operating performance because investors and equity analysts may use this measure to compare our operating performance between periods or to other REITs or other companies on a consistent basis without having to account for differences caused by unanticipated and/or incalculable items.

No reconciliation of forecasted normalized FFO attributable to common stockholders per diluted share accretion or estimate of forecasted impact on net income attributable to common stockholders per diluted share for the announced Holiday Retirement acquisition is provided herein because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measures without unreasonable efforts primarily due to the anticipated timing of receipt of draft third-party real estate appraisals and valuations. We believe such reconciliation would imply a degree of precision that could be confusing or misleading to investors.

# Earnings Outlook Reconciliation

## Outlook Reconciliations: Quarter Ending September 30, 2021

(in millions, except per share data)

### FFO Reconciliation:

Net income attributable to common stockholders

Impairments and losses (gains) on real estate dispositions, net<sup>(1,2)</sup>

Depreciation and amortization<sup>(1)</sup>

NAREIT FFO and Normalized FFO attributable to common stockholders

Current Outlook			
Low		High	
\$	191	\$	212
	(120)		(120)
	267		267
\$	338	\$	359

Diluted per share data attributable to common stockholders:

Net income

NAREIT FFO and Normalized FFO

\$	0.44	\$	0.49
\$	0.78	\$	0.83

Other items:<sup>(1)</sup>

Net straight-line rent and above/below market rent amortization

Non-cash interest expenses

Recurring cap-ex, tenant improvements, and lease commissions

Stock-based compensation

\$	(20)	\$	(20)
	5		5
	(30)		(30)
	5		5

(1) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.

(2) Includes estimated gains on expected dispositions.

# || NOI, IPNOI, REVPOR & SS REVPOR

We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations and transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets.

IPNOI represents NOI excluding interest income, other income and non-IPNOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale.

SSNOI is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Land parcels, loans and sub-leases as well as any properties acquired, developed/redeveloped (including major refurbishments where 20% or more of units are simultaneously taken out of commission for 30 days or more), sold or classified as held for sale during that period are excluded from the same store amounts. Properties undergoing operator and/or segment transitions (except Seniors Housing Triple-net to Seniors Housing Operating with the same operator) are also excluded from same store amounts. Normalizers include adjustments that in management's opinion are appropriate in considering SSNOI, a supplemental, non-GAAP performance measure. None of these adjustments, which may increase or decrease SSNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP. Significant normalizers (defined as any that individually exceed 0.50% of SSNOI growth per property type) are separately disclosed and explained in the relevant supplemental reporting package.

REVPOR represents the average revenues generated per occupied room per month at our seniors housing operating properties. It is calculated as our pro rata version of total resident fees and services revenues from the income statement divided by average monthly occupied room days. SS REVPOR is used to evaluate the REVPOR performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. It is based on the same pool of properties used for SSNOI and includes any revenue normalizations used for SSNOI. We use REVPOR and SS REVPOR to evaluate the revenue-generating capacity and profit potential of its seniors housing operating portfolio independent of fluctuating occupancy rates. They are also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our seniors housing operating portfolio.

We believe NOI, IPNOI, SSNOI, REVPOR and SS REVPOR provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use these metrics to make decisions about resource allocations and to assess the property level performance of our properties.

# In-Place NOI Reconciliations

(dollars in thousands)

	2Q21
Net income (loss)	\$ 45,757
Loss (gain) on real estate dispositions, net	(44,668)
Loss (income) from unconsolidated entities	7,976
Income tax expense (benefit)	(2,221)
Other expenses	11,687
Impairment of assets	23,692
Provision for loan losses	6,197
Loss (gain) on extinguishment of debt, net	55,612
Loss (gain) on derivatives and financial instruments, net	(359)
General and administrative expenses	31,436
Depreciation and amortization	240,885
Interest expense	122,341
Consolidated net operating income	498,335
NOI attributable to unconsolidated investments <sup>(1)</sup>	21,180
NOI attributable to noncontrolling interests <sup>(2)</sup>	(43,786)
Pro rata net operating income (NOI)	475,729
Adjust:	
Interest income	(38,448)
Other income	(9,891)
Sold / held for sale	(14,305)
Developments / land	1,794
Non In-Place NOI <sup>(3)</sup>	(5,112)
Timing adjustments <sup>(4)</sup>	1,575
In-Place NOI	411,342
Annualized In-Place NOI	\$ 1,645,368

In-Place NOI by property type	2Q21	% of Total
Seniors Housing Operating	\$ 605,268	37 %
Seniors Housing Triple-Net	386,148	23 %
Outpatient Medical	403,080	24 %
Health System	157,612	10 %
Long-Term/Post-Acute Care	93,260	6 %
Total In-Place NOI	\$ 1,645,368	100 %

(1) Represents Welltower's interest in joint ventures where Welltower is the minority partner.

(2) Represents minority partner's interest in joint ventures where Welltower is the majority partner.

(3) Primarily represents non-cash NOI.

(4) Represents timing adjustments for current quarter acquisitions, construction conversions and segment or operator transitions.

# SHO REVPOR Growth Reconciliation

(dollars in thousands, except SS REVPOR )

## SHO SS REVPOR Growth

Consolidated SHO revenues

Unconsolidated SHO revenues attributable to WELL<sup>(1)</sup>

SHO revenues attributable to noncontrolling interests<sup>(2)</sup>

SHO pro rata revenues<sup>(3)</sup>

Non-cash revenues on same store properties

Revenues attributable to non-same store properties

Currency and ownership adjustments<sup>(4)</sup>

Normalizing adjustment for policy change<sup>(5)</sup>

SHO SS revenues<sup>(6)</sup>

Avg. occupied units/month<sup>(7)</sup>

SHO SS REVPOR<sup>(8)</sup>

SS REVPOR YOY growth

	2Q21	2Q20
\$	742,549	\$ 773,650
	45,032	42,416
	(59,346)	(63,480)
	728,235	752,586
	(571)	(847)
	(70,900)	(67,313)
	(3,621)	15,772
	—	(2,114)
\$	653,143	\$ 698,084
	39,074	42,583
\$	5,587	\$ 5,480
		2.0 %

(1) Represents Welltower's interests in joint ventures where Welltower is the minority partner.

(2) Represents minority partners' interests in joint ventures where Welltower is the majority partner.

(3) Represents SHO revenues at Welltower pro rata ownership.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2658 and to translate UK properties at a GBP/USD rate of 1.38.

(5) Represents normalizing adjustment to reflect the application of consistent policies for all periods presented for one Seniors Housing Operating partner.

(6) Represents SS SHO revenues at Welltower pro rata ownership.

(7) Represents average occupied units for SS properties on a pro rata basis.

(8) Represents pro rata SS average revenues generated per occupied room per month.

# SHO SS REVPOR Growth Reconciliation (cont.)

(dollars in thousands, except SS REVPOR )

## As Reported:

	Assisted Living/Memory Care <sup>(1)</sup>		Independent Living <sup>(1)</sup>		Seniors Apartment		Total	
	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20
SHO SS revenues <sup>(2)</sup>	\$ 445,053	\$ 478,141	\$ 193,879	\$ 206,841	\$ 14,211	\$ 13,102	\$ 653,143	\$ 698,084
Avg. occupied units/month <sup>(3)</sup>	17,940	19,883	17,311	18,988	3,824	3,711	39,074	42,583
SHO SS REVPOR <sup>(4)</sup>	\$ 8,292	\$ 8,039	\$ 3,744	\$ 3,641	\$ 1,242	\$ 1,180	\$ 5,587	\$ 5,480
SS REVPOR YOY growth	3.2 %		2.8%		5.3%		2.0%	

(1) Properties are classified between Assisted Living/Memory Care and Independent Living by predominant unit type.

(2) Represents SS SHO revenues at Welltower pro rata ownership. See previous page for reconciliation.

(3) Represents average occupied units for SS properties related solely to predominant unit type on a pro rata basis.

(4) Represents pro rata SS average revenues generated per occupied room per month.

# EBITDA and Adjusted EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and Internal Revenue Code (“IRC”) Section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The ratios are based on EBITDA and Adjusted EBITDA. EBITDA is defined as earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, additional other income and other impairment charges. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. Our leverage ratios include net debt to Adjusted EBITDA. Net debt is defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and any IRC Section 1031 deposits.

# Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended	
	June 30, 2021	March 31, 2021
Net income	\$ 45,757	\$ 72,192
Interest expense	122,341	123,142
Income tax expense (benefit)	(2,221)	3,943
Depreciation and amortization	240,885	244,426
EBITDA	406,762	443,703
Loss (income) from unconsolidated entities	7,976	(13,049)
Stock-based compensation expense	4,757	5,576
Loss (gain) on extinguishment of debt, net	55,612	(4,643)
Loss (gain) on real estate dispositions, net	(44,668)	(59,080)
Impairment of assets	23,692	23,568
Provision for loan losses	6,197	1,383
Loss (gain) on derivatives and financial instruments, net	(359)	1,934
Other expenses	11,059	10,799
Other Impairments	—	49,241
Adjusted EBITDA	\$ 471,028	\$ 459,432

Lines of credit and commercial paper<sup>(1)</sup>

Long-term debt obligations<sup>(1,2)</sup>

Cash and cash equivalents<sup>(3)</sup>

Net debt

Adjusted EBITDA

Adjusted EBITDA annualized

Net debt to Adjusted EBITDA ratio

Three Months Ended	
June 30, 2021	March 31, 2021
\$ —	\$ —
13,572,816	14,618,713
(763,921)	(2,513,156)
12,808,895	12,105,557
471,028	459,432
\$ 1,884,112	\$ 1,837,728
6.80 x	6.59 x

(1) Amounts include unamortized premiums/discounts and other fair value adjustments as reflected on the balance sheet

(2) Includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities. Excludes operating lease liabilities related to ASC 842 adoption.

(3) Inclusive of IRC Section 1031 deposits, if any.

# Proforma Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended March 31, 2021 (Actual) <sup>(1)</sup>	Q1 Government Grants Received <sup>(2)</sup>	Three Months Ended March 31, 2021 (Pro Forma)
Adjusted EBITDA	\$ 459,432	\$ (35,682)	\$ 423,750
Annualized Adjusted EBITDA	\$ 1,837,728	\$ (142,728)	\$ 1,695,000
Net Debt <sup>(3)</sup>	\$ 12,105,557	\$ —	\$ 12,105,557
Net Debt to Adjusted EBITDA	6.59 x		7.14 x

1. Please refer to calculation of Adjusted EBITDA for the three months ended June 30, 2021 on page the previous slide.

2. Pro forma adjustment to remove Health and Human Services grants and similar grants in the UK and Canada received and recognized during the three months ended March 31, 2021 that are not matched to expenses incurred during the same period.

3. Net debt includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities of \$105,529,000 but excludes operating lease liabilities of \$303,387,000, respectively. Furthermore, net debt includes IRC Section 1031 deposits, if any

# Proforma Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended June 30, 2021 (Actual) <sup>(1)</sup>	Q2 Government Grants Received <sup>(2)</sup>	Q2 Acquisitions and Dispositions <sup>(3)</sup>	Q3 Announced Acquisitions and Dispositions <sup>(4)</sup>	Announced Holiday Retirement Investment <sup>(5)</sup>	ATM Forward Sale Settlement <sup>(6)</sup>	June 30, 2021 Held-for-Sale Dispositions <sup>(7)</sup>	Three Months Ended June 30, 2021 (Pro Forma)
Adjusted EBITDA	\$ 471,028	\$ (5,294)	\$ 6,571	\$ 4,165	\$ 24,614	\$ —	\$ (16,778)	484,306
Annualized Adjusted EBITDA	\$ 1,884,112	\$ (21,176)	\$ 26,284	\$ 16,660	\$ 98,456	\$ —	\$ (67,112)	1,937,224
Net Debt <sup>(8)</sup>	\$ 12,808,895	\$ —	\$ —	\$ 193,867	\$ 1,588,000	\$ (1,389,830)	\$ (699,076)	12,501,856
Net Debt to Adjusted EBITDA	6.80 x							6.45 x

1. Please refer to calculation of Adjusted EBITDA for the three months ended June 30, 2021 on page the previous slide.
2. Pro forma adjustment to remove Health and Human Services grants and similar grants in the UK and Canada received and recognized during the three months ended June 30, 2021 that are not matched to expenses incurred during the same period.
3. Pro forma adjustment to reflect acquisition and loan funding activity for the three months ended June 30, 2021 as well as disposition and loan payoff activity for same period as detailed on the Gross Investment Activity page of our Supplement Information report for 2Q21, as if the transactions occurred on April 1, 2021. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be in indication of the results that would have been achieved had the transactions been completed as of the date indicated.
4. Pro forma adjustment to reflect acquisition and loan funding activity as well as disposition and loan payoff activity occurring since June 30, 2021 as detailed on slide 6, as if the transactions occurred on April 1, 2021. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be in indication of the results that would have been achieved had the transactions been completed as of the date indicated.
5. Pro forma adjustment to reflect the previously disclosed Holiday Retirement acquisition as detailed in our June 21, 2021 press release, as if the transaction occurred on April 1, 2021. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be in indication of the results that would have been achieved had the transaction been completed as of the date indicated. Furthermore, transactions not yet closed are subject to customary closing conditions and there can be no assurances as to the timing of closing.
6. Proforma adjustment to reflect the expected net cash proceeds associated with the settlement of forward sales under our ATM program as if such forward sales were settled on April 1, 2021.
7. Pro forma adjustment to reflect the impact of the expected sale of properties classified as held-for-sale as of June 30, 2021, as if the transactions occurred on April 1, 2021. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be in indication of the results that would have been achieved had the transactions been completed as of the date indicated. Furthermore, transactions not yet closed are subject to customary closing conditions and there can be no assurances as to the timing of closing.
8. Net debt includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities of \$110,906,000 but excludes operating lease liabilities of \$298,722,000, respectively. Furthermore, net debt includes IRC Section 1031 deposits, if any.