



# Business Update

June 6, 2022

**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 impact of the COVID-19 pandemic; uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation; the status of the economy; 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 its 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. 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.

# Recent Highlights – *Since Previous Business Update on May 10, 2022*

## Second Quarter 2022 Guidance Update<sup>(1)</sup>

- Raised midpoint of 2Q2022 net income attributable to common stockholders (“NICS”) guidance range to 23.5c per diluted share. Updated NICS guidance contemplates a range of 22c - 25c per diluted share as compared to previous guidance of 20c - 25c per diluted share
- **Raised midpoint of 2Q2022 normalized FFO guidance range to 85.5c per diluted share driven by better than anticipated QTD Seniors Housing Operating (SHO) fundamentals**
  - Updated 2Q2022 FFO guidance contemplates a range of 84c - 87c per diluted share as compared to initial guidance range of 82c - 87c per diluted share

## Announced or Completed \$2.8 billion of Capital Deployment Year-to-Date; Acquisition Opportunity Set Continues to Expand

- Since the 1Q22 earnings release, announced or completed approximately \$750 million of new capital deployment; YTD capital deployment totals \$2.8 billion and \$8.4 billion since October 2020<sup>(2)</sup>
- **WELL’s near-term capital deployment expected to remain robust with ~\$2.0 billion under contract**, including opportunities across all property types and capital structure
- Liquidity profile remains exceptional with over \$2.0 billion of combined proceeds from unsettled ATM shares and expected dispositions and loan payoffs<sup>(3)</sup>; **seeing greater interest from sellers to accept operating partnership units (“OP Units”) following recent UPREIT conversion**

## Agreement to Acquire 25-Property Senior Apartment Portfolio, Bringing Total Wellness Housing Platform to Nearly 10,000 Units

- On June 6, 2022, announced an agreement to purchase a 25-property senior apartment portfolio from Calamar for \$502 million or \$172,000 per unit. The transaction is expected to be funded with cash, the assumption of debt, and UPREIT Operating Partnership (“OP”) Units
- Following completion of the transaction, **Welltower, already the largest owner of moderately priced age-restricted and age-targeted rental housing in the U.S., will significantly expand its market leadership with a total of nearly 10,000 units**
  - Welltower’s Wellness Housing platform started in 2019 with the acquisition of the Clover portfolio and has since expanded to include Sparrow, Treplus, and now Calamar, among others

## Second Quarter 2022 Senior Housing Operating Portfolio Update

- Quarter-to-date SHO portfolio spot occupancy growth of 80 bps is in line with expectations through June 3, 2022 despite the global rise in COVID-19 cases during the quarter
  - Heading into the peak leasing months, occupancy gains have been broad-based quarter-to-date, increasing 70 bps in the U.S., 80 bps in Canada, and 190 bps in the U.K.<sup>(3)</sup>
- Pricing power remains robust with strong recognized renewal rate increases and improving street rates
- **QTD agency labor expense has continued to decline despite a recent increase in staff COVID cases; many operators reporting improved application volumes and hiring trends**
  - Agency labor expense is expected to decline further in each quarter for the rest of the year, barring an additional COVID-19 surge

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

2. Includes pro rata gross investments across acquisitions and loans YTD and since October 2020 and announced StoryPoint, Oakmont, and senior apartment portfolio acquisition agreements; excludes development funding

3. As of June 3, 2022

# Capital Deployment | ~\$2.0 of Transactions Billion Under Contract

Since pivoting to offense in October 2020, WELL has completed or announced approximately \$8.4 billion of capital deployment<sup>(1)</sup>

- **Additional high-conviction external growth to drive long-term per-share earnings upside for existing shareholders**
  - Notable deals under contract (all to be funded, in part, through issuance of OP Units):
    - Oakmont: Agreement to purchase seven SH communities for \$344 million, subject to customary closing conditions, with an expected high-single-digit unlevered IRR. Transaction expected to be funded through cash and issuance of OP Units
    - StoryPoint: Remaining tranches of previously announced StoryPoint transactions. Total transaction expected to generate a high-single-digit unlevered IRR and to be funded through cash, assumed debt, and issuance of OP Units
    - Calamar Senior Apartment Portfolio: Agreement to purchase 25 senior apartment properties (including 20 newer vintage properties and five currently under construction) for \$502 million or \$172,000 per unit. 18 stable and 2 lease up properties have an average age of 8 years. Transaction expected to be funded through cash, the assumption of debt, and issuance of OP Units
- **In addition to ~\$2.0 billion under contract, currently evaluating additional \$2.0 billion+ of opportunities**
  - COVID-related challenges, labor market pressure, and shifting macroeconomic conditions may result in further near-term acquisition opportunities
- **Significant capacity for future capital deployment with over \$2.0 billion of combined proceeds from unsettled ATM shares and expected dispositions and loan payoffs<sup>(2)</sup>; seeing greater interest from sellers to potentially accept UPREIT operating partnership units**

## Additional Long-Term Exclusive Partnership with Premier Seniors Housing Operator

- Long-term exclusive partnership agreement signed with Retirement Unlimited, Inc. ("RUI"), one of the country's premier seniors housing operators, with a significant presence on the East Coast
- RUI's operational excellence reflected by portfolio occupancy in the 90%+ range with virtually no utilization of agency labor
- Welltower-RUI relationship expected to be seeded with 6-10 assets



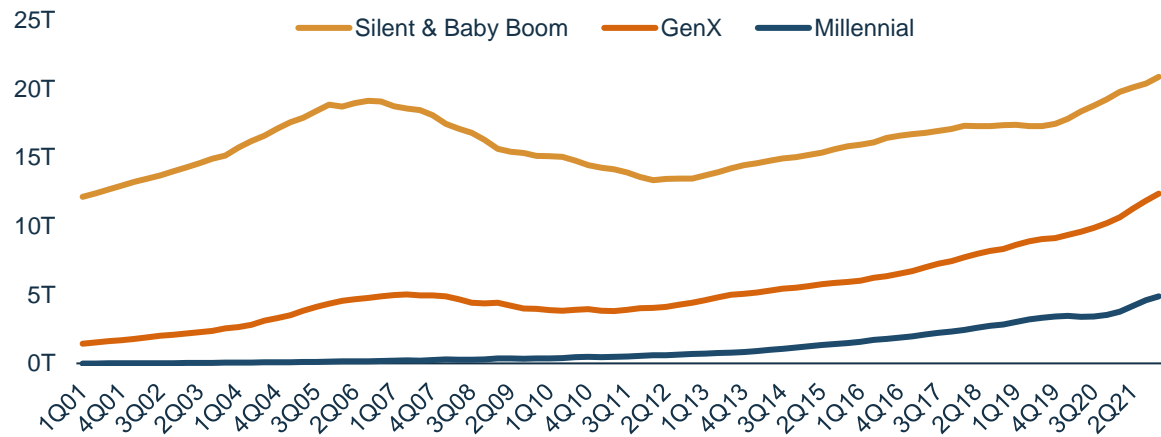
1. Includes pro rata gross investments across acquisitions and loans YTD and since October 2020 and announced StoryPoint, Oakmont, and senior apartment portfolio acquisition agreements; excludes development funding  
2. As of June 3, 2022

# Barbell Capital Allocation Strategy

## SENIORS HOUSING Platform Growth Focused on **Luxury-End of Affluent Micro Markets**

- Capital deployment concentrated within **highly desirable micro markets primarily in coastal markets of the United States and in Greater London**, with a focus on the higher-end of the acuity spectrum
- **Largely inelastic demand** resulting from needs-based nature of product
- High-touch product, superior care and offerings, coupled with high absolute level of wealth allows for **significant pricing power**, irrespective of economic backdrop
- Focused development pipeline targets underserved senior populations in high-barrier-to-entry micro markets with multi-year entitlement processes that limit threat of new supply
- Operated under highly-aligned RIDEA 3.0 management contracts

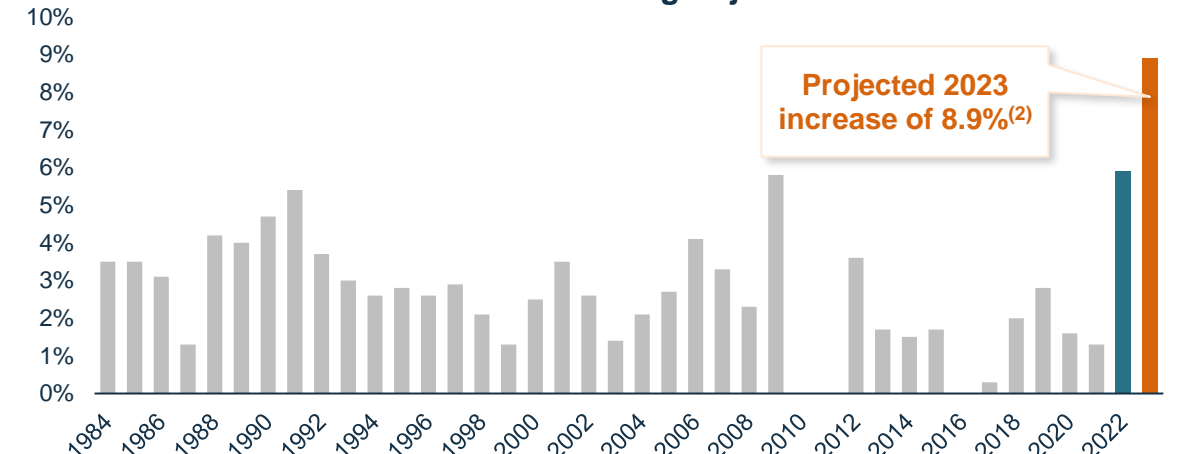
Per Capita Real Estate Ownership by Generation<sup>(1)</sup>



## WELLNESS HOUSING Platform Provides **Safe and Accessible Rental Housing** to Broader Group of Age-Targeted Residents

- Addresses significant and growing unmet demand for **wellness and social-focused rental housing primarily in non-coastal US markets**
- **Low to moderate price point** for middle income, age-targeted residents, including empty nesters and active adults, who will benefit from social security cost of living adjustments
- Platform will consist of nearly 10,000 units following completion of Calamar portfolio transaction with **significant future growth expected** through additional capital deployment opportunities, including development
- Wellness Housing properties operate with low-to-no staffing and an average length of stay of approximately 5 years, **resulting in operating margins and capex budgets closer to the multifamily sector**
- The properties are managed under standard multifamily contracts

Historical Cost of Living Adjustment<sup>(2)</sup>



1. Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey  
 2. <https://www.fedsmith.com/2022/05/11/inflation-rate-2023-cola-prediction/>

# Barbell Capital Allocation Strategy | Oakmont and Calamar Senior Apartment Portfolios

## Continued Execution of BARBELL APPROACH to Capital Allocation

### Seniors Housing - Oakmont Acquisition Overview

- As announced on May 10, 2022, Welltower entered into a definitive agreement to acquire seven seniors housing communities for \$344 million with expected high-single digit unlevered IRR
- **Properties are located in affluent micro markets across California, with average Oakmont portfolio REVPOR of ~\$9,000 per month**
- Current occupancy and NOI margins far exceed industry averages, reflecting superior locational attributes, needs-based nature of product, and Oakmont's operational acumen
- **Significant recognized renewal rate increases in recent periods mitigating impact of inflationary expense pressures**
- Acquisition is expected to be funded through cash on hand and the **issuance of UPREIT OP units**

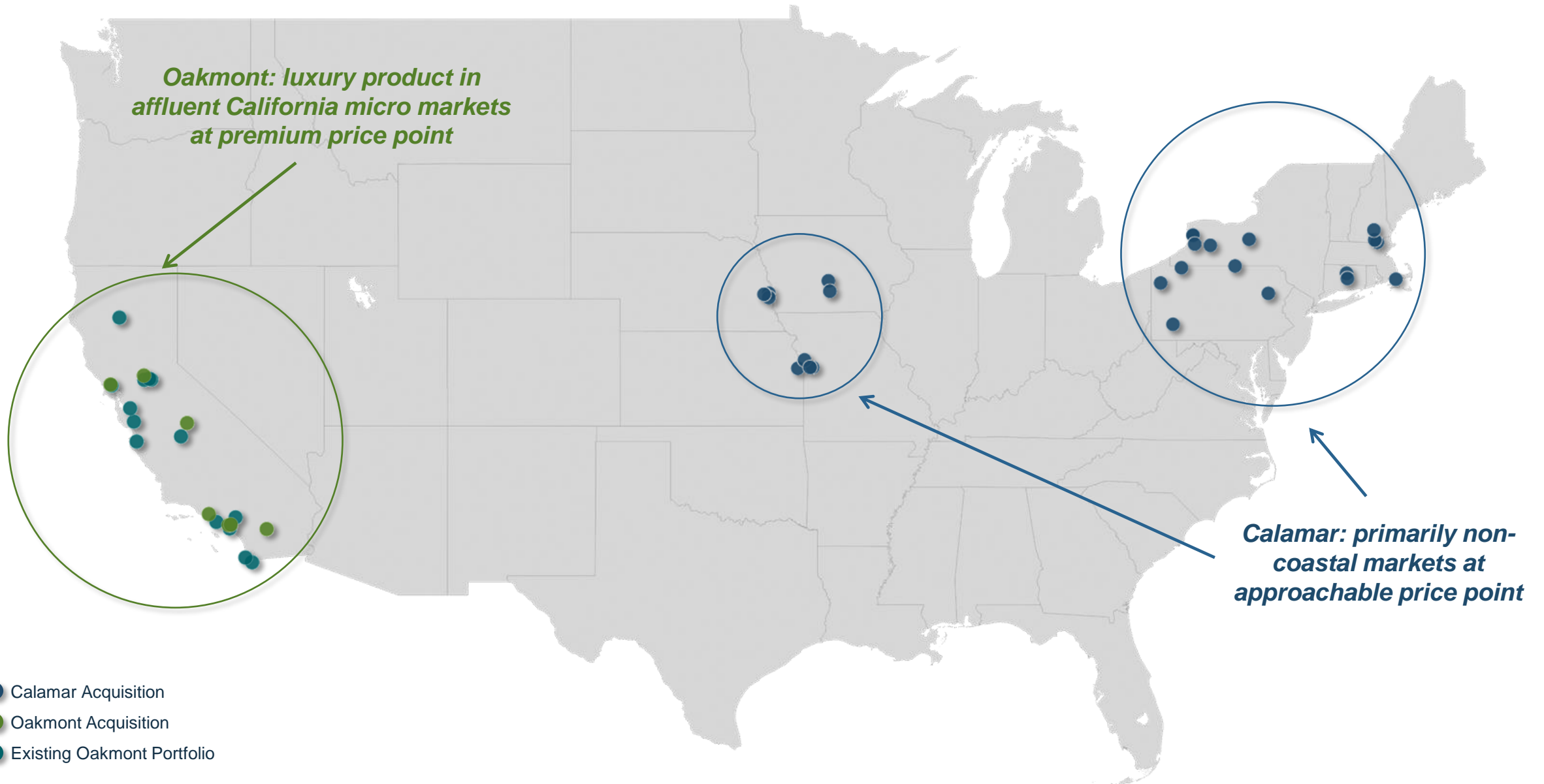


### Wellness Housing - Calamar Senior Apartment Acquisition Overview

- As announced on June 6, 2022, Welltower entered into a definitive agreement to acquire a 25-property senior apartment portfolio for \$502 million, or \$172,000 per unit
- **Properties are located primarily in non-coastal East Coast and Midwest markets with average monthly rent of \$1,300 per unit**
- Maintained high levels of occupancy throughout COVID with favorable annual renewal rate increases demonstrating unmet demand for moderately priced senior apartments
- **The portfolio caters to a moderate income senior with an average resident age of 55-80 years and an average length of stay above five years**
- Calamar is expected to manage the properties subject to a traditional multifamily management contract under its Connect 55+ brand
- Acquisition is expected to be funded through cash on hand, the assumption of debt, and the **issuance of UPREIT OP units**



# Barbell Capital Allocation Strategy | Oakmont and Calamar Senior Apartment Portfolios



# Barbell Capital Allocation Strategy | Retirement Unlimited and Treplus

## Continued Execution of BARBELL APPROACH to Capital Allocation

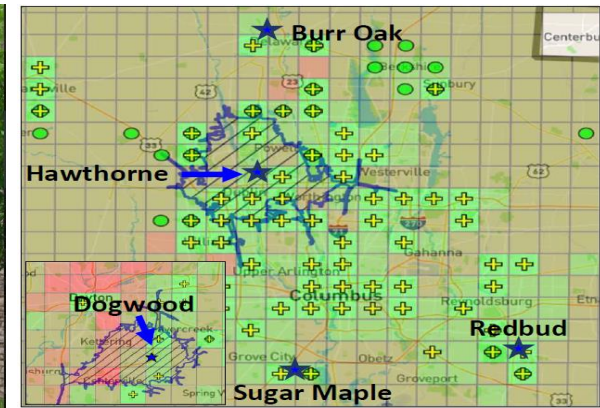
### Seniors Housing - Retirement Unlimited, Inc. ("RUI")

- RUI is a premier operator of senior living communities on the East Coast of the U.S.
- **Best-in-class operations evidenced by 93% current occupancy and 35% NOI margins in RUI-operated portfolio**
- Monthly REVPOR of approximately \$8,000
- **Virtually no utilization of agency labor through the pandemic**
- Focus on rich programming, including RUI University, helps drive robust pipeline of future residents by engaging with the community
- Relationship expected to be seeded with 6-10 assets
- **15-year exclusive development pipeline agreement**



### Wellness Housing - Treplus

- Leading owner/operator of **55+ active adult communities in Midwest U.S.**
- Recently purchased three Class-A Treplus communities in 2Q22 with additional properties in various stages of development
- Communities feature spacious, universally designed single-story residences, attached garages and private entrances
- The communities have longer lengths of stay (**80% retention rates**) and generate higher NOI margins
- Welltower using data analytics to assist with site selection and help "grow the pie" for both parties
- **12-year exclusive development pipeline agreement**

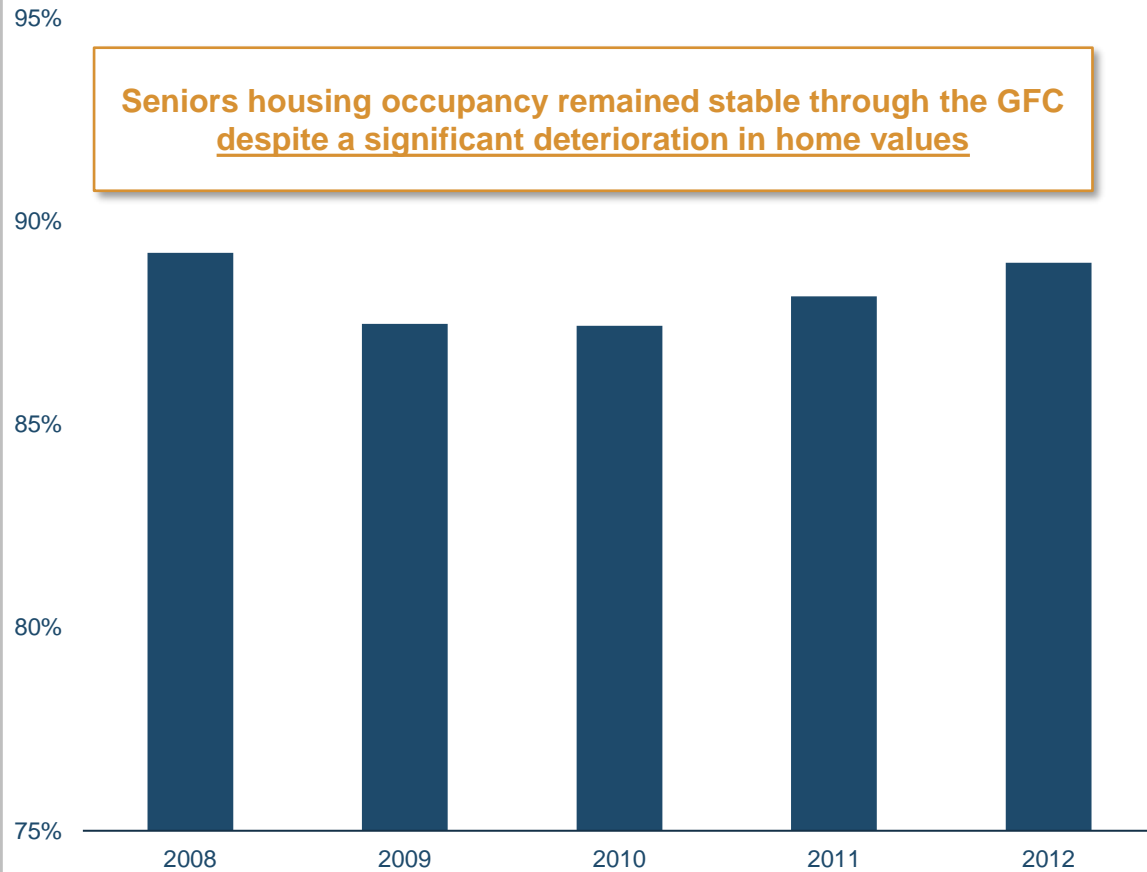




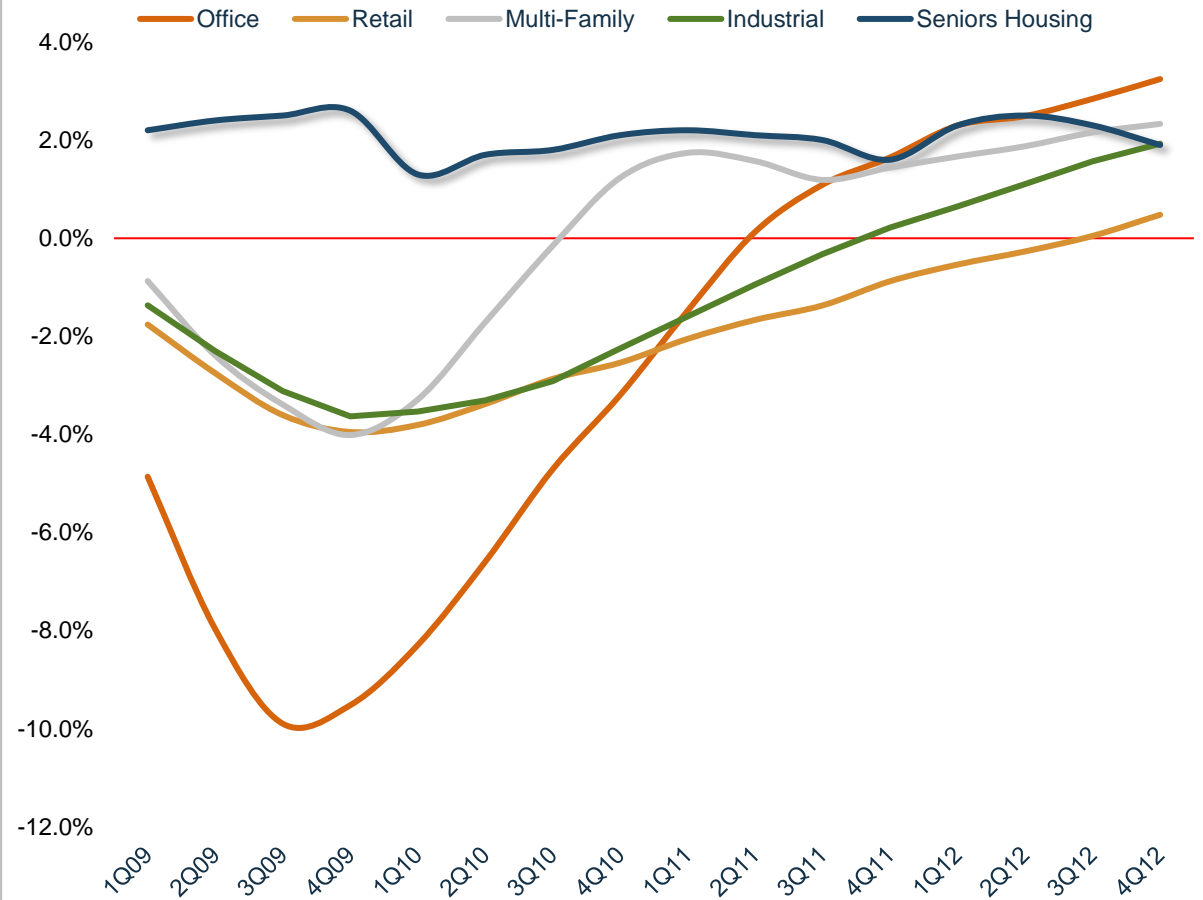
# Global Financial Crisis Case Study

## Resilient Demand During GFC Driven By Needs-Based Nature of Seniors Housing

Seniors Housing Average Occupancy<sup>(1)</sup>



TTM Market Rent Growth<sup>(2)</sup>

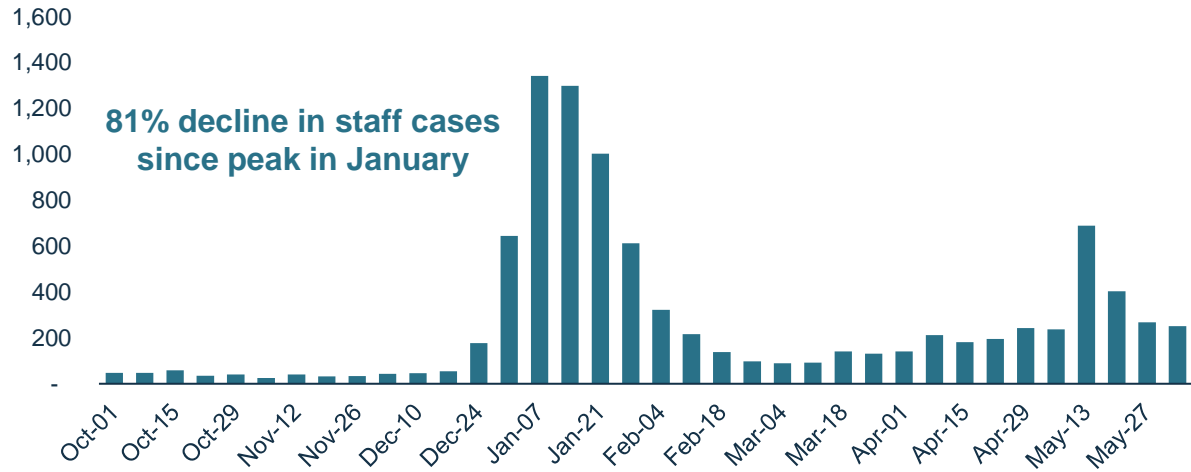


1. Source: 1Q22 NIC MAP 99 Data  
 2. Source: CoStar, NIC MAP

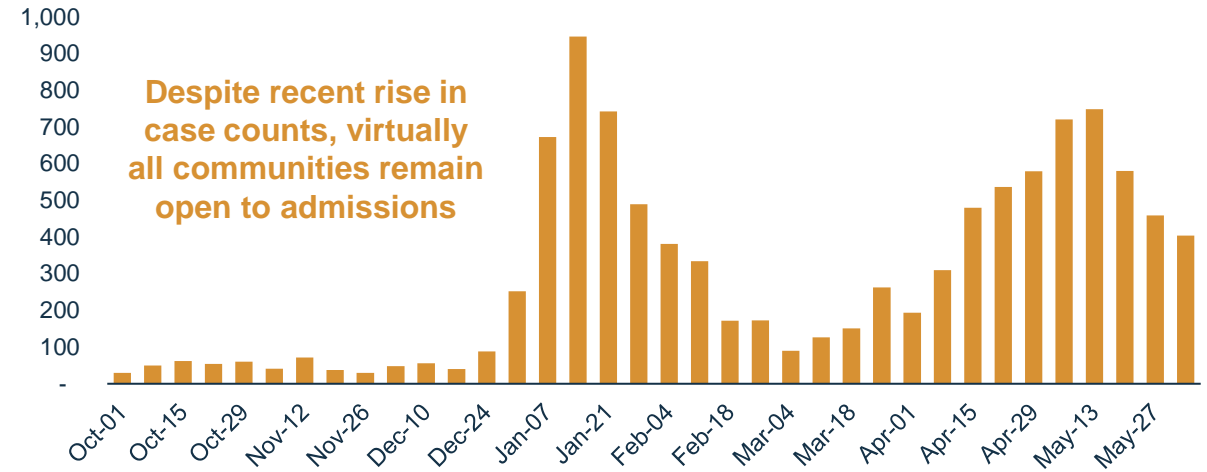
# Seniors Housing Update

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

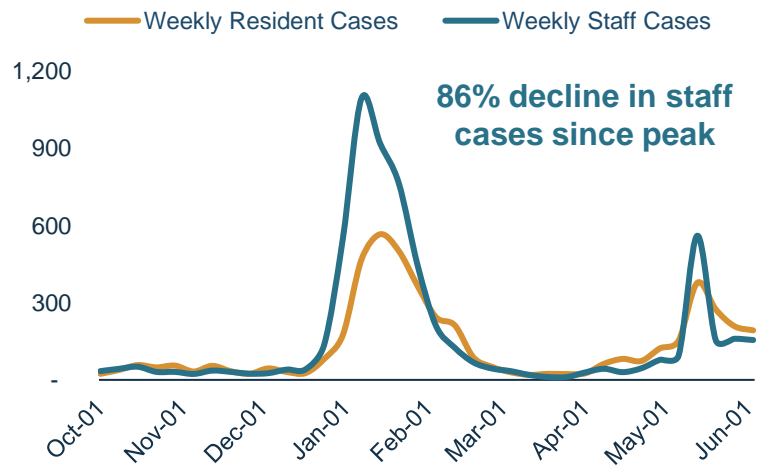
Weekly Staff COVID-19 Cases



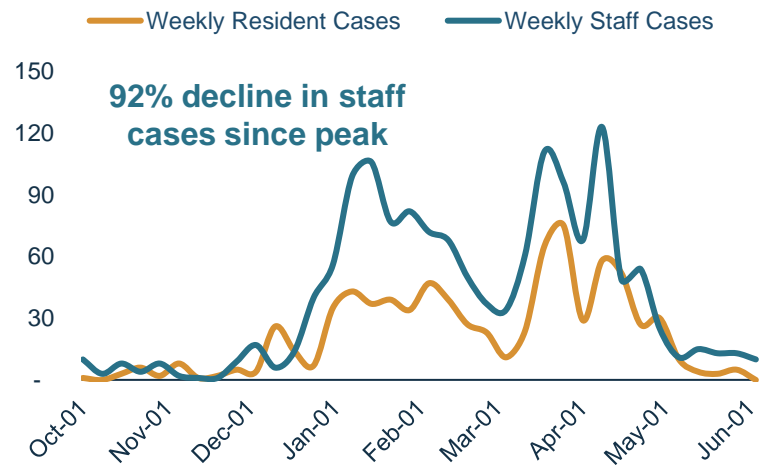
Weekly Resident COVID-19 Cases



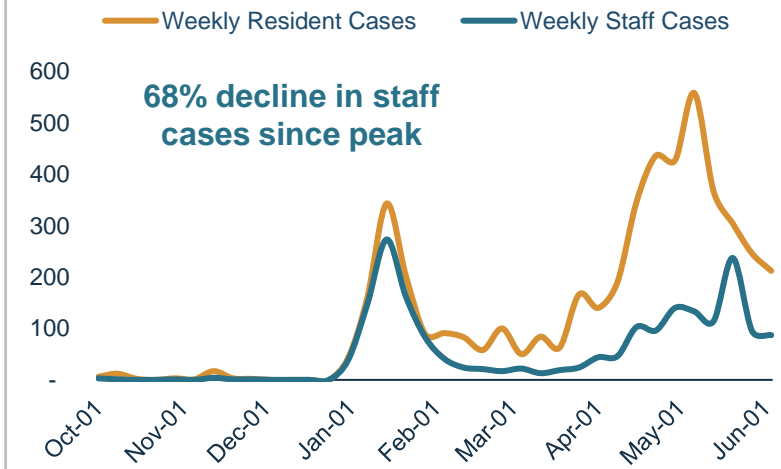
WELL US SHO Portfolio



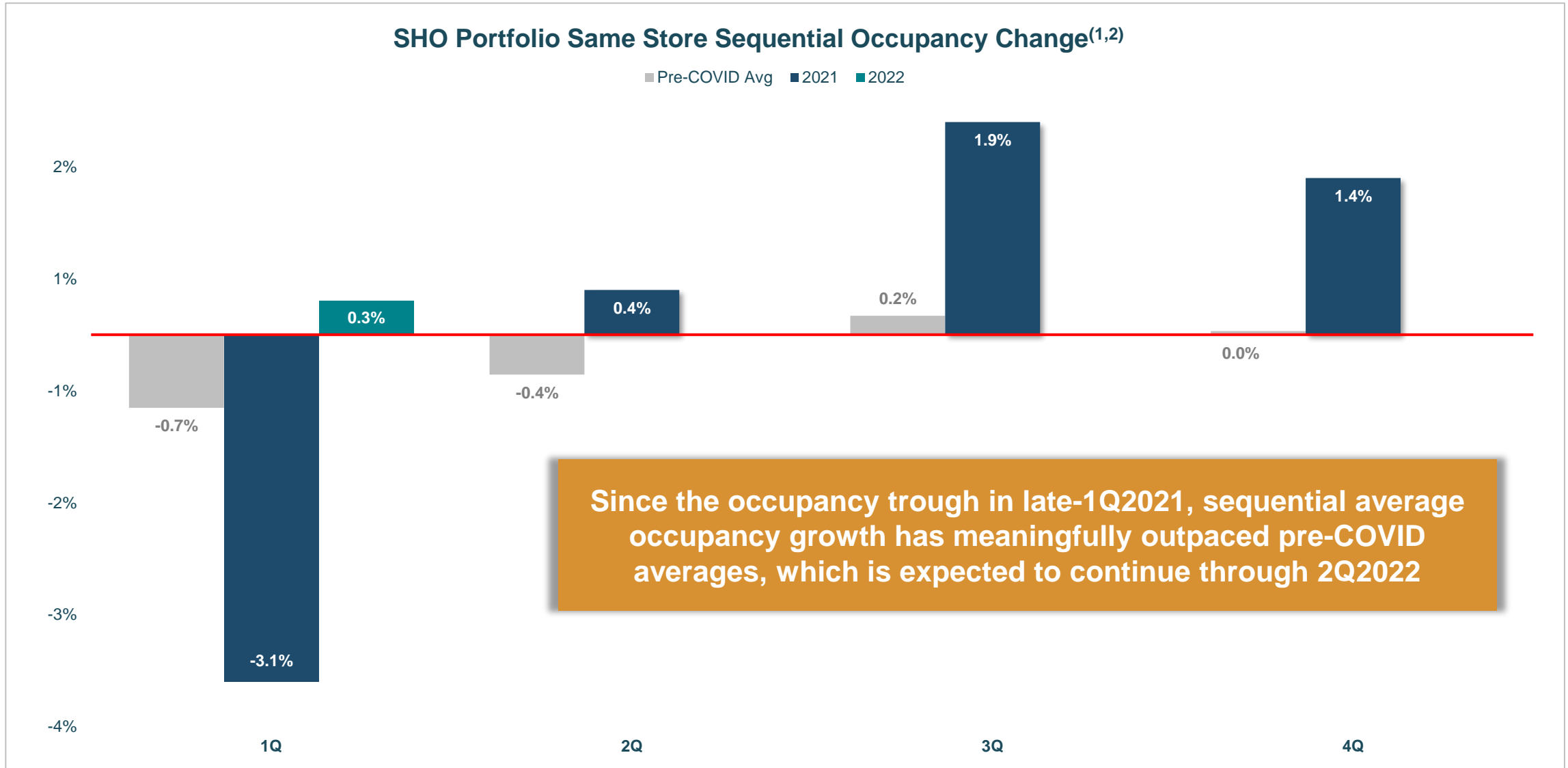
WELL UK SHO Portfolio



WELL Canada SHO Portfolio



# Occupancy Continues to Outperform Seasonal Trends



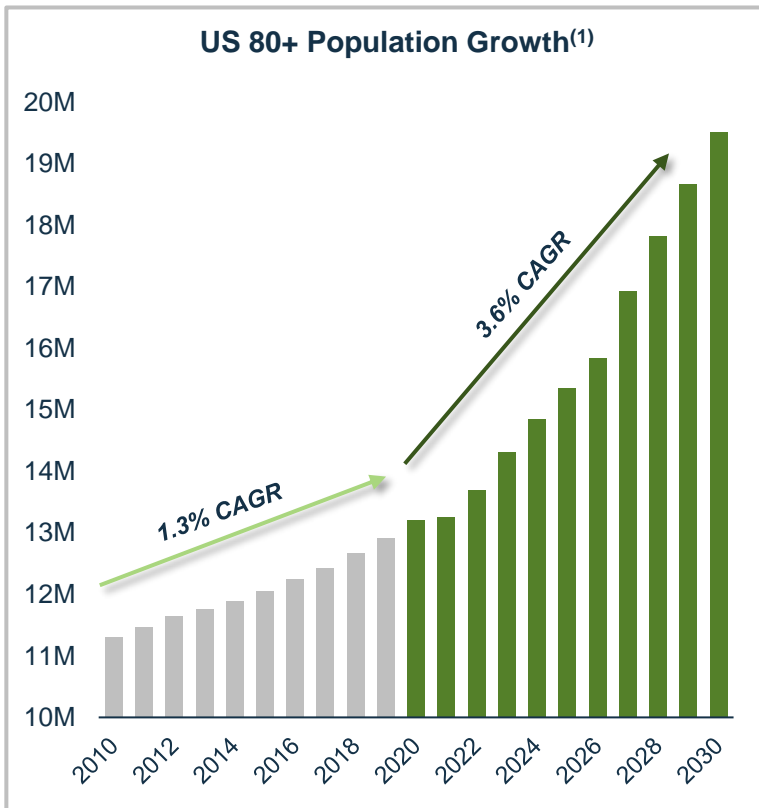
1. Represents SHO same store portfolio each quarter at pro rata ownership; see each quarters respective Supplemental Information Report  
2. Pre-COVID average represents 2016 through 2019

# Post-COVID Recovery | Long-Term Secular Growth Opportunity

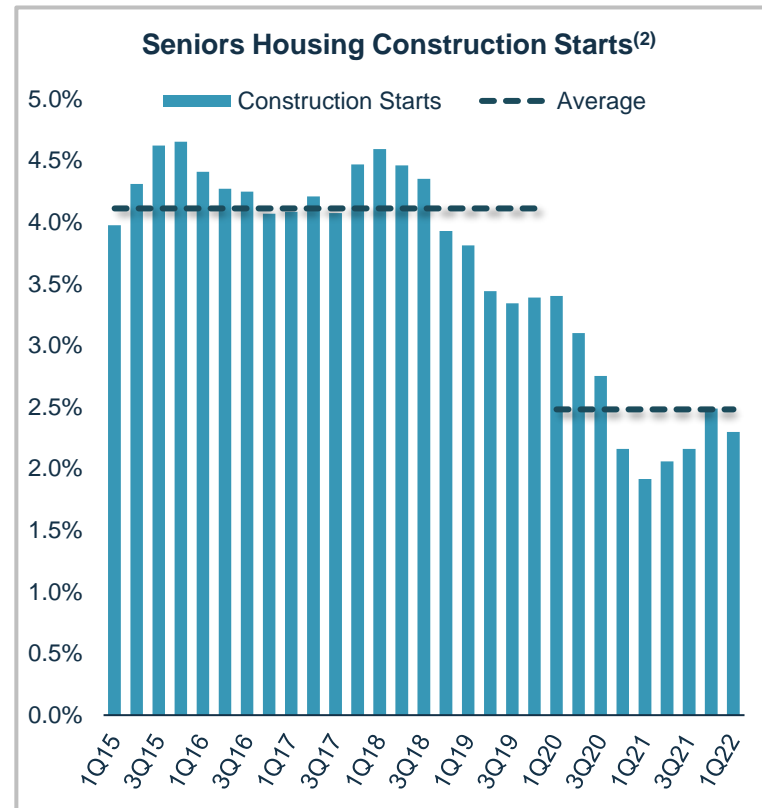
Compelling demand-supply backdrop to drive occupancy gains

Strong industry pricing power expected to offset inflationary pressures

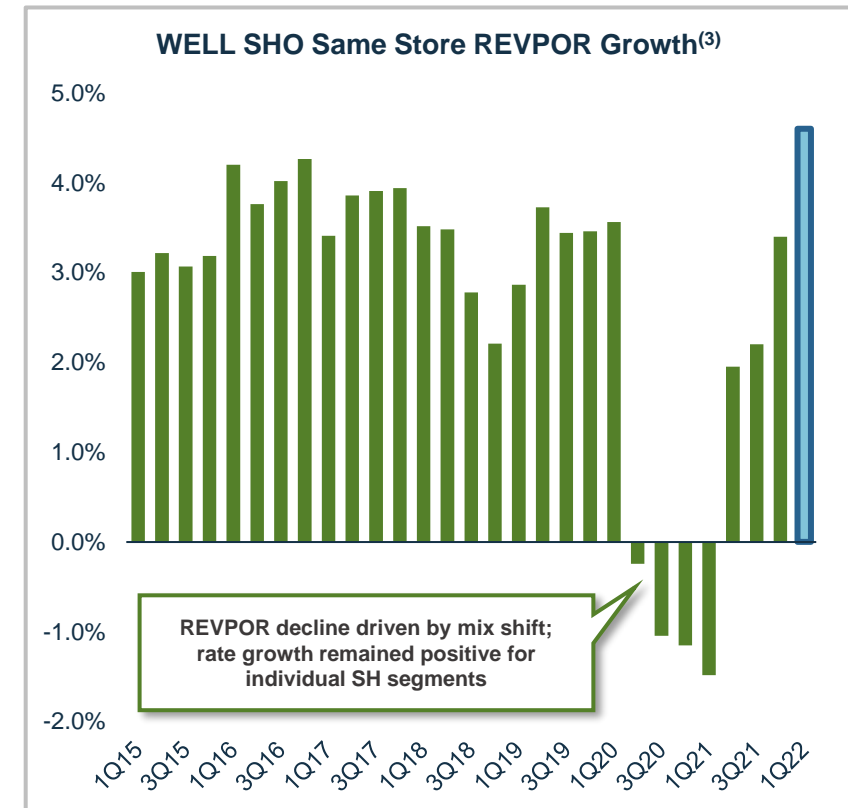
## Demographic-Driven Demand



## Supply Deceleration



## Resilient Pricing Power

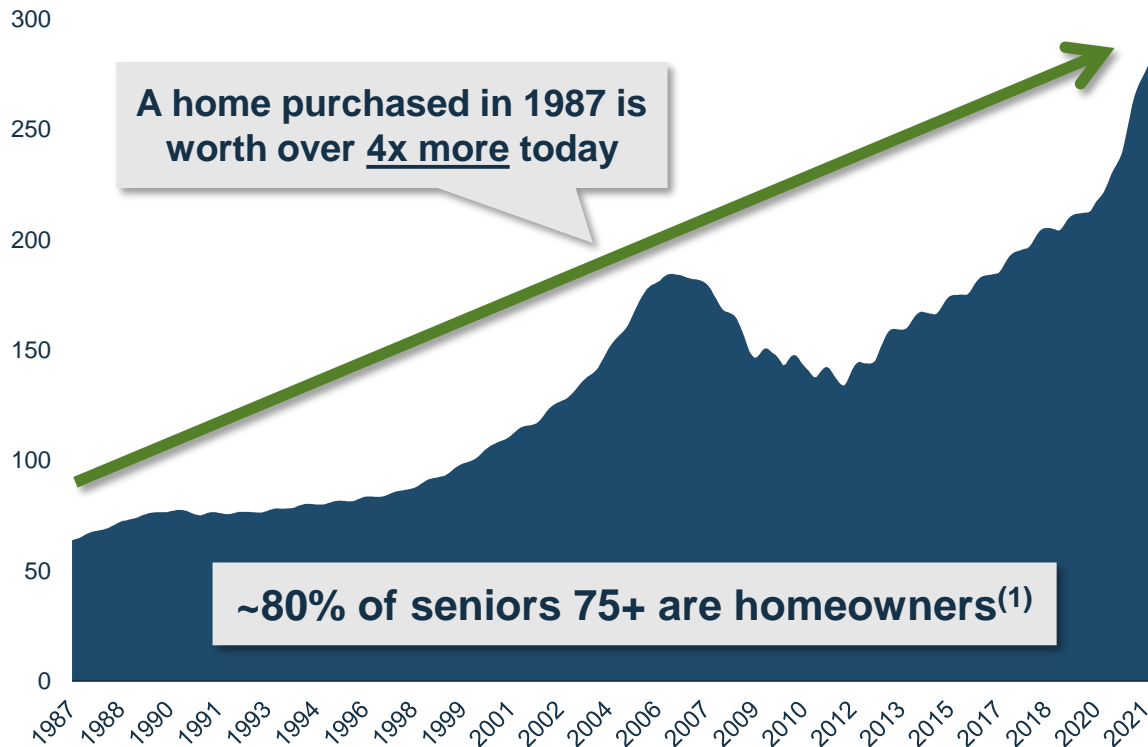


1. The Organisation for Economic Cooperation and Development (OECD)  
 2. Source: NIC MAP® Data Service, Primary and Secondary markets  
 3. Represents quarterly year-over-year Same Store REVPOP growth percentage. See each quarters' respective Supplemental Information Report for a discussion of such supplemental reporting measure as well as the applicable reconciliations

# Significant Wealth Accumulation Allows for Greater SH Affordability

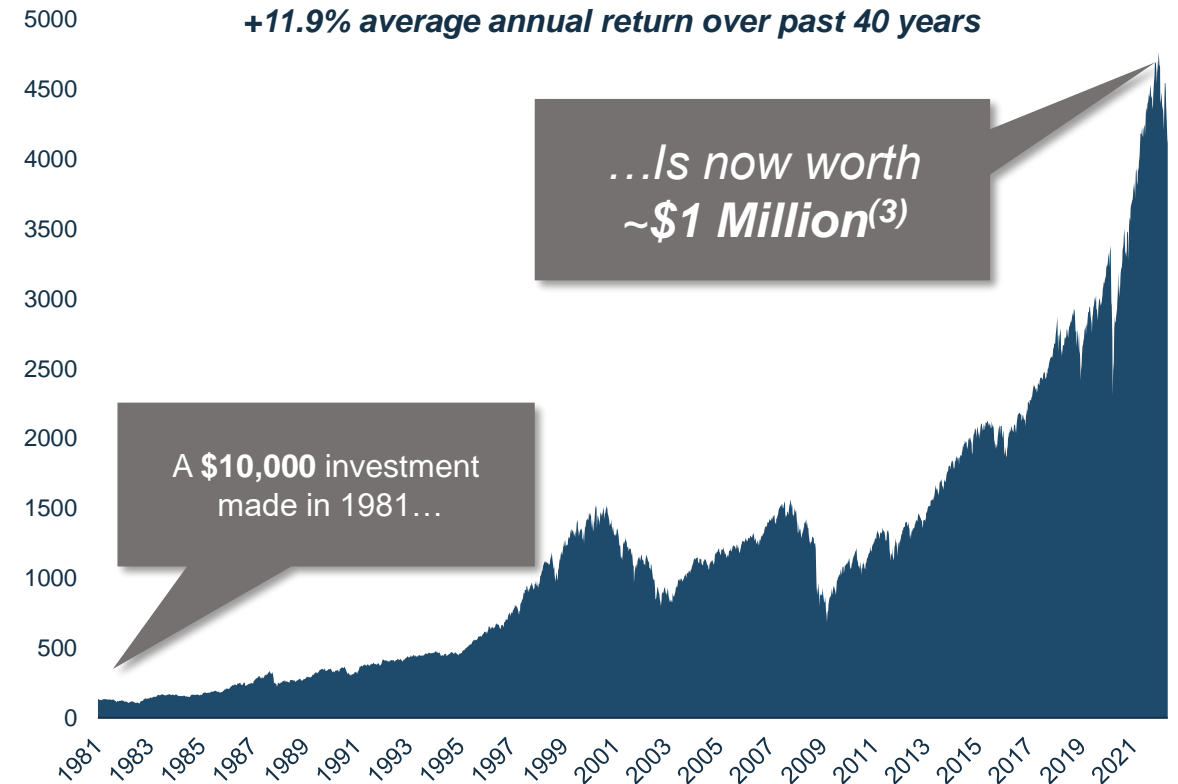
*Backdrop to drive rate growth remains favorable*

**Home Price Appreciation | 1987 - Present**  
S&P/Case-Shiller U.S. National Home Price Index



**S&P500 | 1981 – Present<sup>(2)</sup>**

*+11.9% average annual return over past 40 years*



**Seniors Housing is NOT INCOME DEPENDENT; generally funded through ASSET SALES and PERSONAL WEALTH**

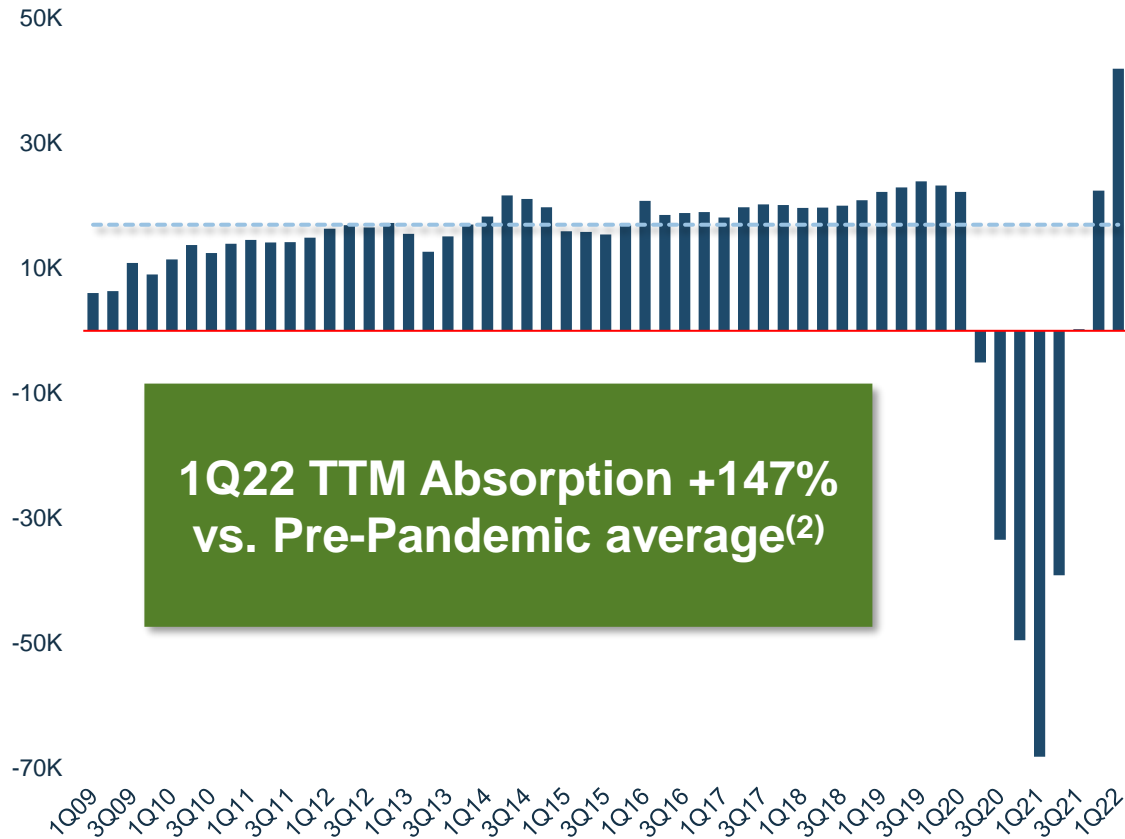
1. Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey  
 2. Source: Bloomberg as of 5/8/2022  
 3. Assumes reinvestment of dividends and annual compounding

# Seniors Housing Backdrop Supports Sustained Revenue Acceleration in 2022+

## SH Demand Remains Robust

**TTM Absorption<sup>(1)</sup>**  
 NIC MAP Primary and Secondary Markets

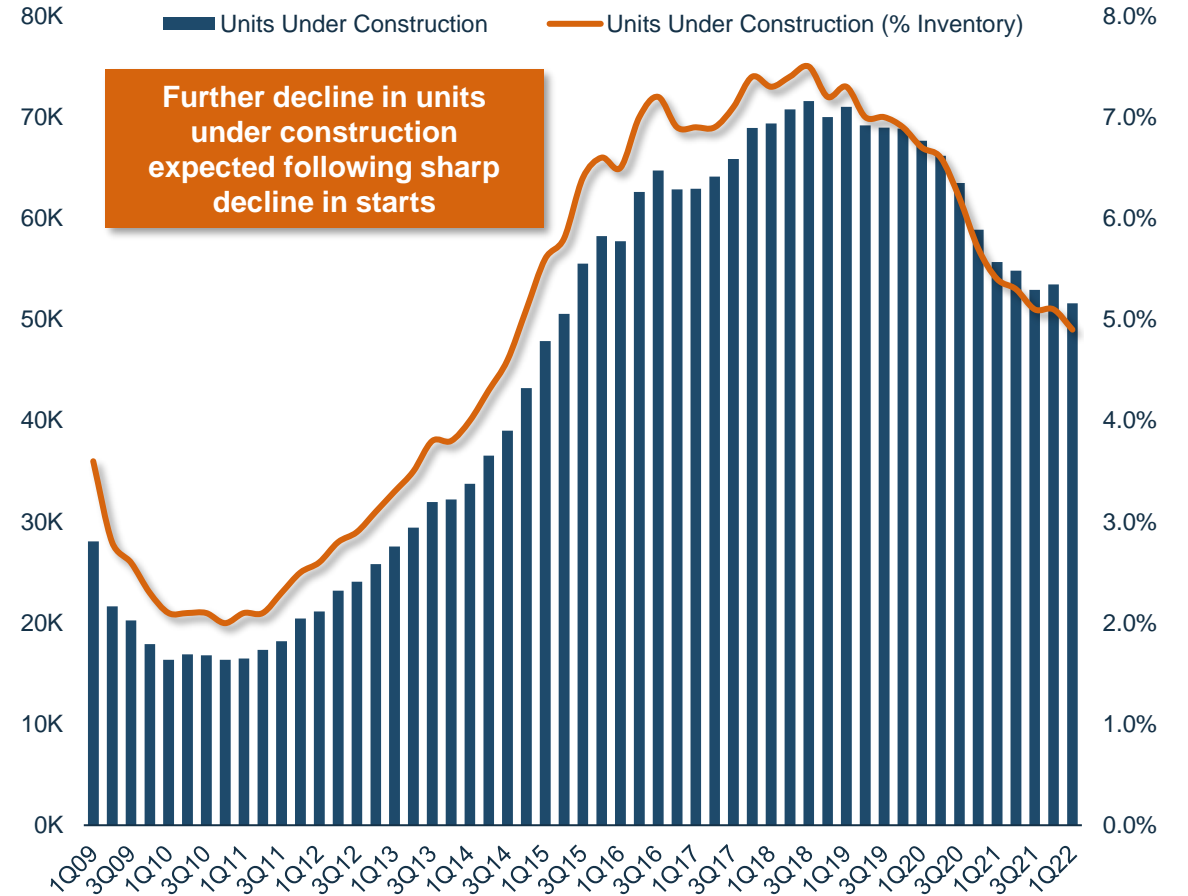
■ TTM Absorption    - - - Pre-Covid Average



## SH Construction Continues to Recede

**Units Under Construction<sup>(1)</sup>**  
 NIC Primary and Secondary Markets

■ Units Under Construction    — Units Under Construction (% Inventory)

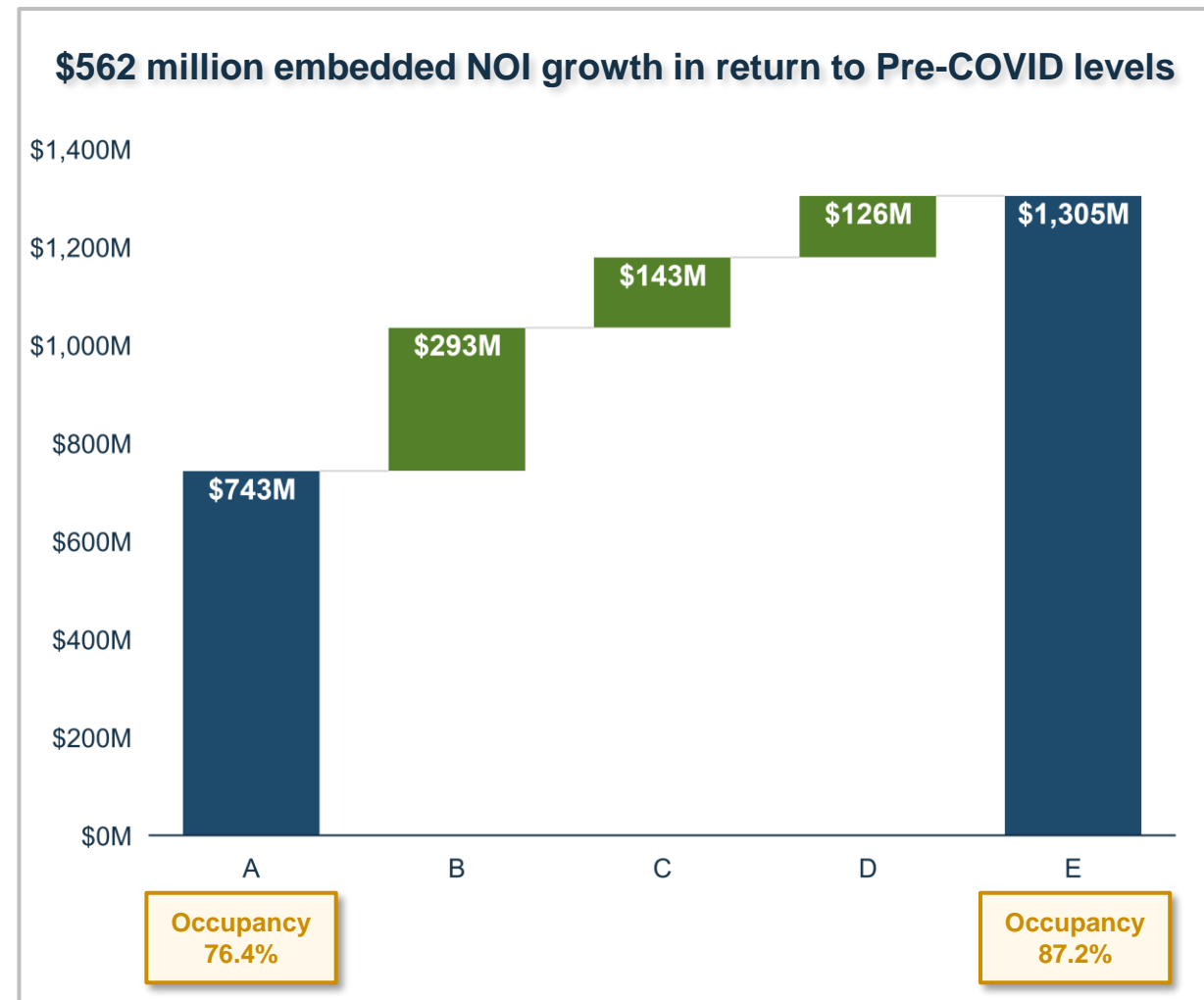


1. National Investment Center for Seniors Housing & Care – latest available data  
 2. Pre-pandemic average represents 1Q09-1Q20

# SHO Portfolio | Path to Recovery

Category	NOI (\$M)
A) 1Q22 Total Portfolio - IPNOI Portfolio ex HHS <sup>(1)</sup>	743
B) Stable Portfolio Remaining Occupancy Recovery	293
C) Development, Lease-Up, Transitions and Acquisitions	143
D) Lease-Up of COVID Class Acquisitions (4Q20-1Q22)	126
<b>E) 1Q22 Total Portfolio - Post COVID Recovery NOI</b>	<b>1,305</b>

A) 1Q22 Portfolio In-Place NOI excluding HHS <sup>(1)</sup>
B) 4Q19 Stable Portfolio - Incremental NOI from return to 4Q19 NOI levels
C) Incremental NOI from: Development properties delivered subsequent to 4Q19, lease-up properties as of 4Q19, properties transitioned to SHO from SHNNN subsequent to 4Q19, properties acquired subsequent to 4Q19 and prior to 4Q20. NOI stabilization assumes return to Pre-COVID NOI for acquisition properties and underwritten stabilized NOI for development properties
D) Incremental NOI from stabilization of acquisitions between 4Q20 and 1Q22
E) 1Q22 portfolio post-COVID recovery NOI. Represents portfolio occupancy of 87.2% and operating margin of 30.5%



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



# Capital Deployment Update

# Capital Deployment Since 4Q20

## Capital Deployment Volume<sup>(1)</sup>

**\$8.4B** GROSS INVESTMENTS



- ✓ Initial yield of 5.9%; Stable yield of approximately 7.9%
- ✓ 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

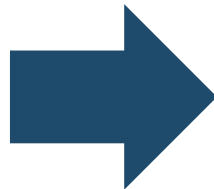
**82** Total Transactions  
**326** OM and SH Properties Acquired  
**34K** Seniors Housing Units Acquired



- ✓ 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 an average investment of \$21.5 million per property

## Significant Discount to Replacement Cost

**\$194K / unit** Avg. Last Dollar Basis US transactions  
**£40K / unit** Avg. 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



StoryPoint Fort Wayne | Fort Wayne, IN



Oakmont Ivy Park at Otay Ranch | Chula Vista, CA



HarborChase of Vero Beach | Vero Beach, FL

1. Includes pro rata gross investments across acquisitions and loans since October 2020 and announced StoryPoint, Calamar and Oakmont acquisition agreements; excludes development funding

# Foundation for Long-Term Growth Established

Opportunity to deploy in excess of \$3.0 billion Annually | Economics Defined During Pandemic

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

**5** + **20** + **5** = **30** → **\$30B+**

Relationships Formed  
Pre-COVID

Newly Formed COVID  
Relationships

Additional Relationships  
Currently In Progress

Total Newly Established  
Growth Relationships

Potential Capital Deployment  
Opportunity Over Next Decade



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

*Centralized Capital Allocation; Decentralized Execution*

# Welttower Overview

# Welltower at a Glance

# WELL

# LISTED

# NYSE

S&P  
**500**

**\$57B**  
*Enterprise Value<sup>(1)</sup>*

**2.8%**  
*Dividend Yield<sup>(1)</sup>*

**Baa1**  
MOODY'S

**BBB+**  
S&P Global Ratings



**125,000+**  
Seniors Housing &  
Wellness Housing Units



**~23M sq. ft.**  
Outpatient Facilities

Dow Jones  
Sustainability Indices  
In Collaboration with RobecoSAM



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

# 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 & Development



**JOSHUA T. FIEWEGER**  
Chief Accounting Officer

# WELL ESG Focus<sup>(1)</sup> | Profit, Planet, People

**E** Building a Portfolio for the Future

**S** Serving our People and our Communities

**G** Good Governance is Good Business

## Sustainability Goals & Achievements<sup>(1)</sup>

Targeting 10% reduction in greenhouse gas (GHG) emissions, energy, and water use by 2025<sup>(2)</sup>

First health care REIT to issue Green Bond (December 2019)  
Issued second Green Bond (March 2022)

MEMBER OF

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM



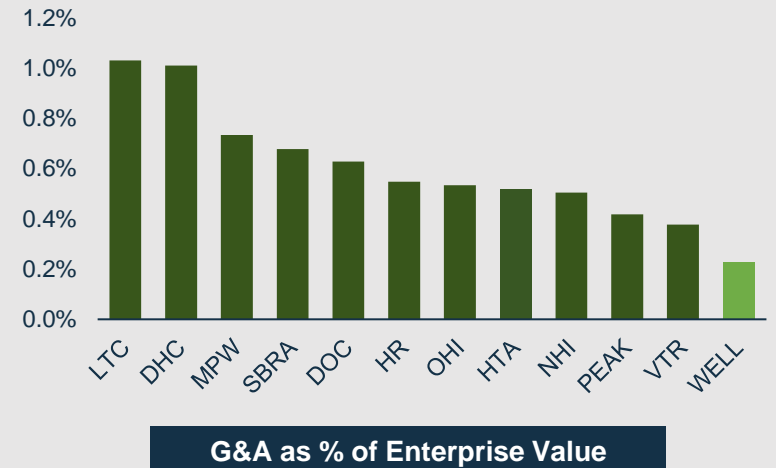
## Gender parity across organization



Employee participation across 8 Employee Network Groups

- 80% Women and Minority Independent Director Leadership on the Board of Directors
- ESG Goals Incorporated into Management Compensation Plan
- Separate Chairman & CEO roles

Lowest G&A Burden Amongst Health Care REITs<sup>(3)</sup>



1. See Welltower 2020 Environmental, Social and Governance Report and Business Update dated June 7, 2021 for additional details and disclosures  
 2. See Welltower 2020 Environmental, Social and Governance Report for additional details and disclosures  
 3. Most recently disclosed trailing twelve-month G&A; Enterprise Value as of May 9, 2022

# Drivers of Per Share Cash Flow Growth



## SECULAR GROWTH TAILWINDS

Post-COVID fundamental recovery sustained by strong demographic trends, shift to value-based health care, and social determinants of health



## ACCRETIVE CAPITAL DEPLOYMENT

External growth strategy underpinned by value-oriented capital deployment philosophy and data-driven decisions in innovative structures



## DIVERSIFIED PLATFORM OF OPERATORS

Strongly aligned operating partners, positioned for significant growth



## STRONG INTERNAL TALENT BASE

Entrepreneurial – Passionate – Diverse – Aligned



## RISK MITIGANTS

Value-based investment philosophy and innovative structure of transactions offer significant downside protection

Strong investment grade balance sheet and robust liquidity profile





# New Paradigm for Growth with Lower Entity-Level Risk

**RECENT PAST DOES NOT REFLECT OUTLOOK FOR THE FUTURE**

Where we *Were* (2015-2020)

Where we're *Going*



**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

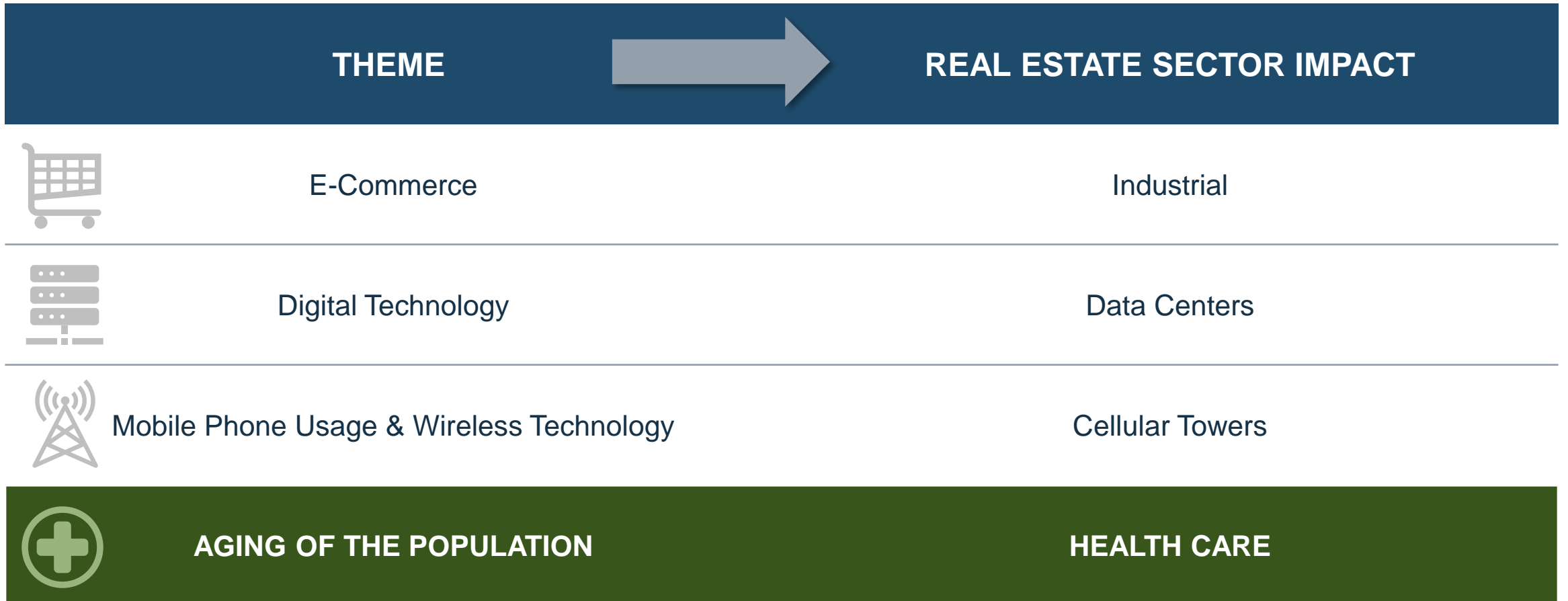


***At the cusp of multi-year period of compelling per share growth***

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

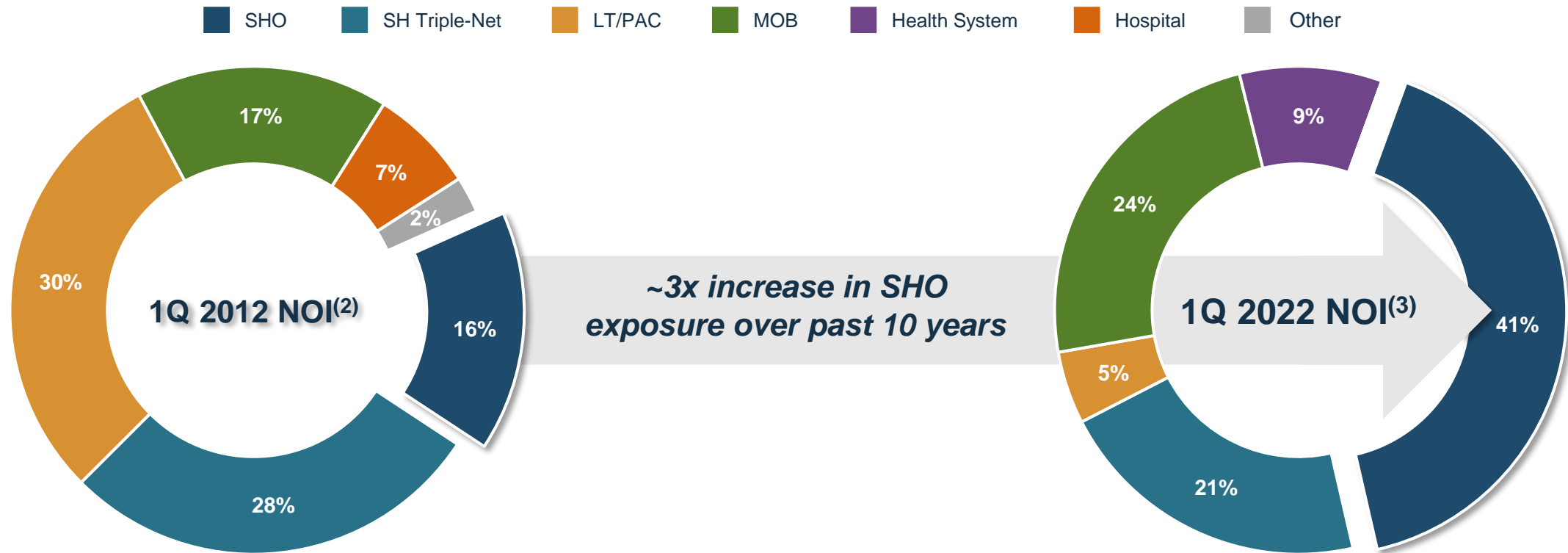
# Secular Societal & Technological Trends | Impact on Real Estate Sectors

*Precedent for EXTENDED PERIOD OF MULTIPLE EXPANSION in Secular Growth Sectors*



# Balanced Lease Structure Mitigates Impact of Inflationary Pressures<sup>(1)</sup>

*Shorter duration leases in SHO portfolio allow for more frequent mark-to-market of rents*



*Approximately 2.8 year total portfolio weighted average lease term<sup>(4)</sup>*

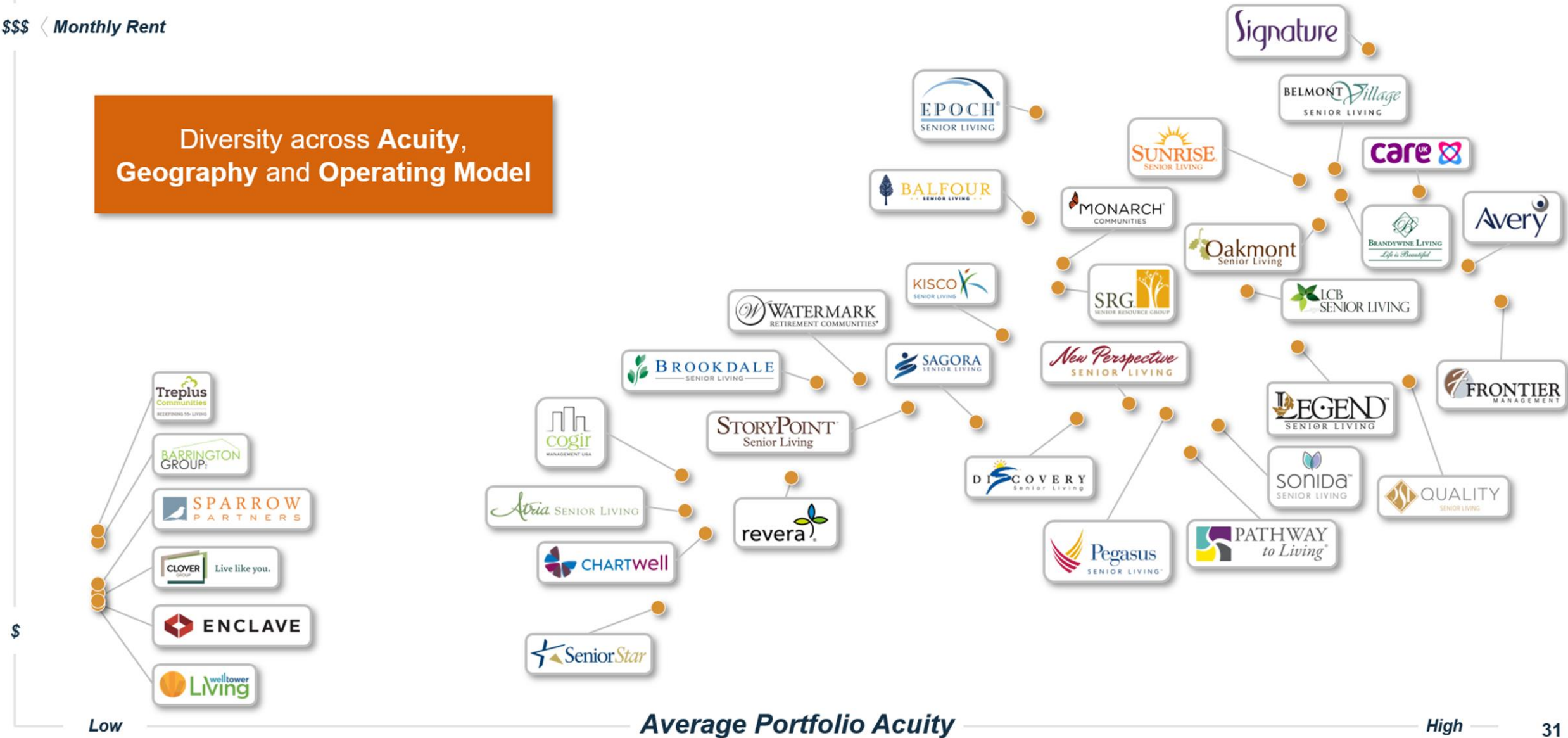
1. WALT: Weighted Average Lease Term  
 2. Represents annualized NOI as reported in 1Q2012. See 1Q2012 Supplemental Information Report for further information  
 3. Represents in place NOI. See Supplemental Financial Measures at the end of this presentation for further information and reconciliation  
 4. Assumes 50% of SHO resident agreements reset on January 1 and 50% reset on the anniversary date (6 months). Weighted Average Lease Term/Maturity per 1Q2022 supplemental disclosure: SH NNN = 10 years, LT/PAC = 8 years, Outpatient Medical = 7 years; Health System = 14 years and based upon segment level 1Q2022 rental income

# Seniors Housing

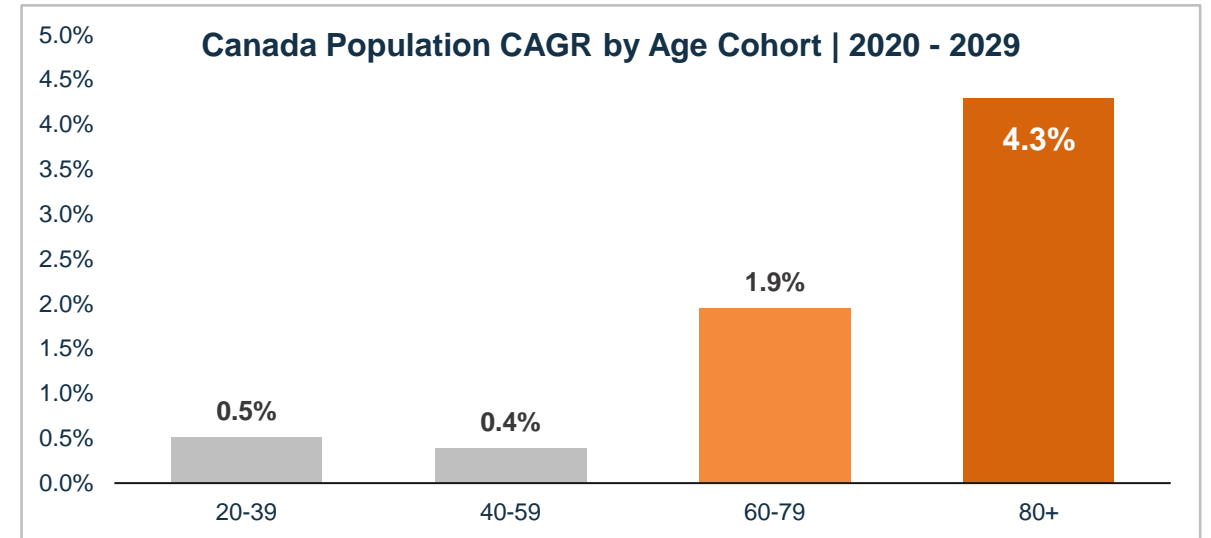
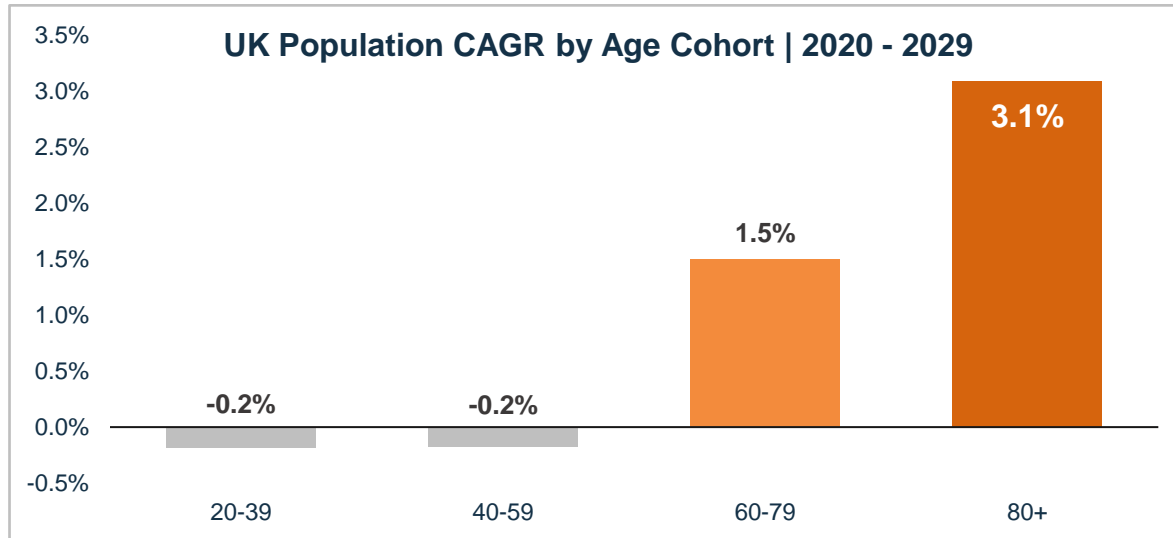
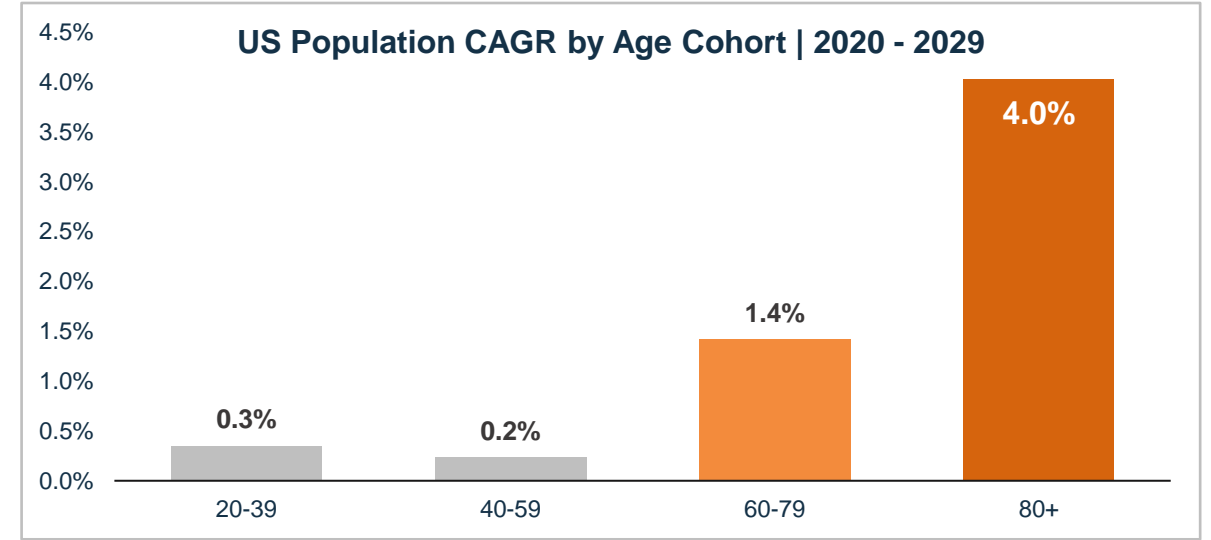
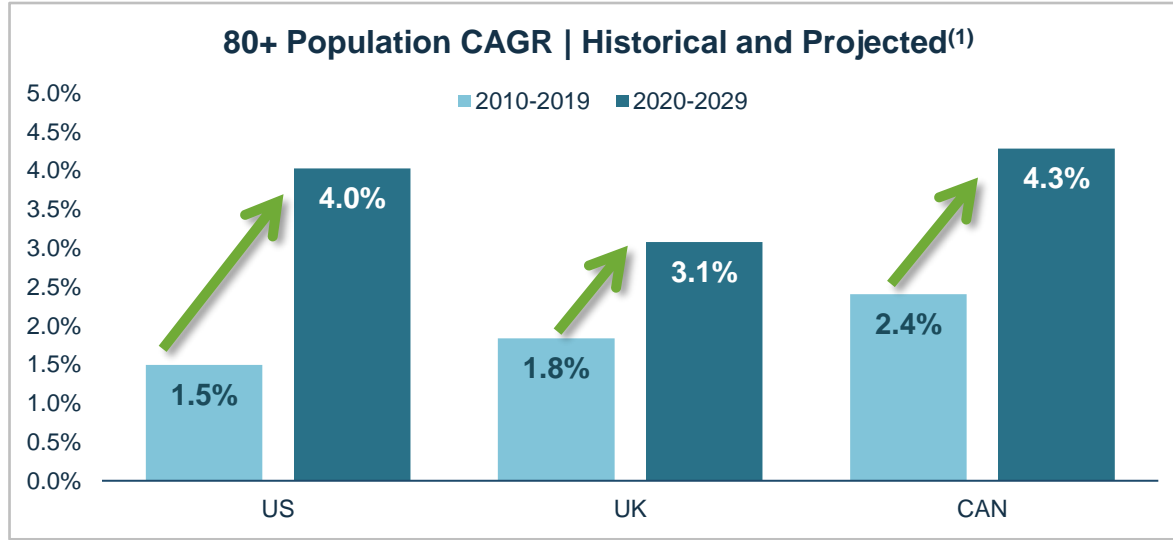
# Seniors Housing Operator Platform | Power of Diversification

\$\$\$ < Monthly Rent

Diversity across Acuity, Geography and Operating Model

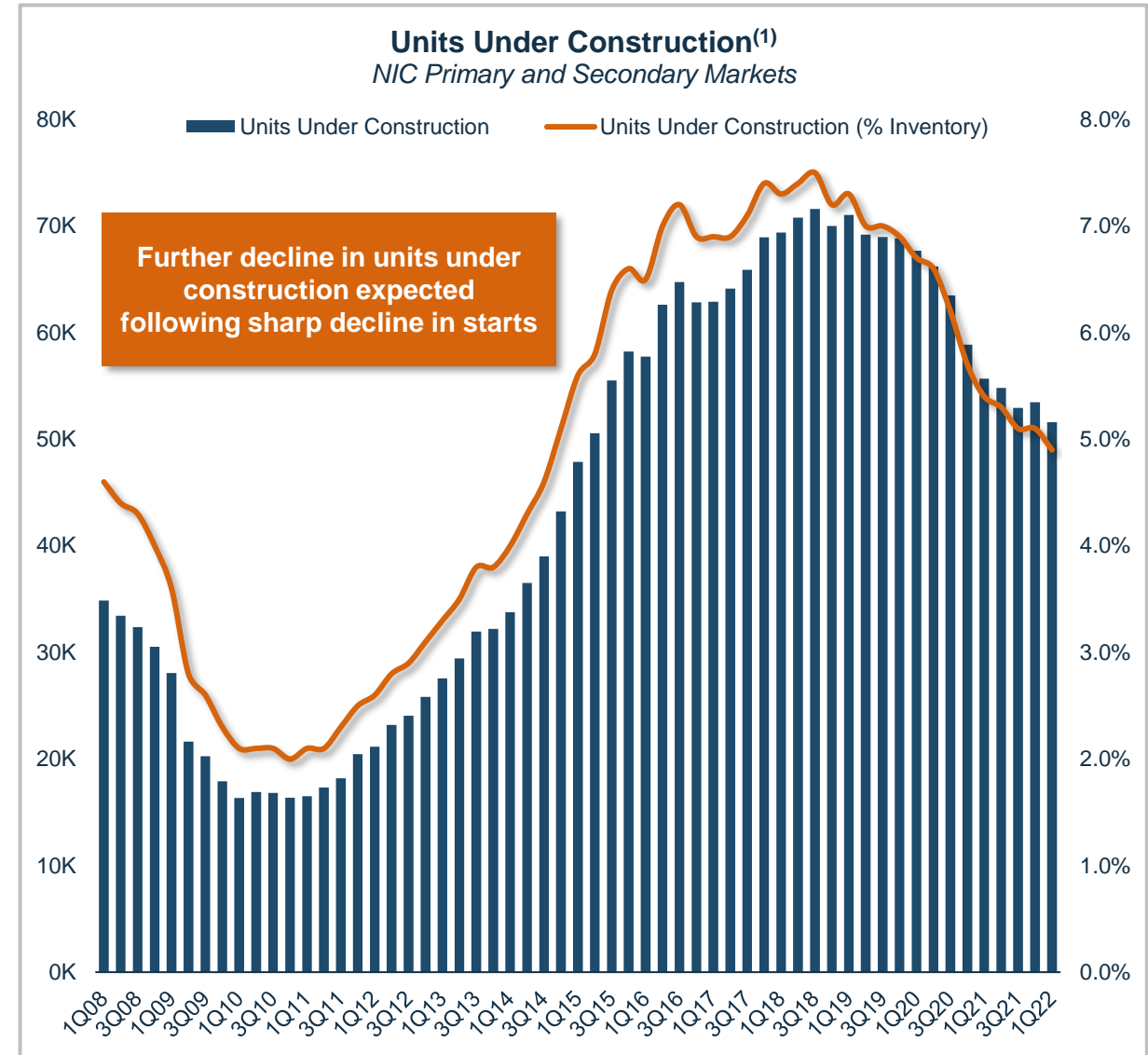
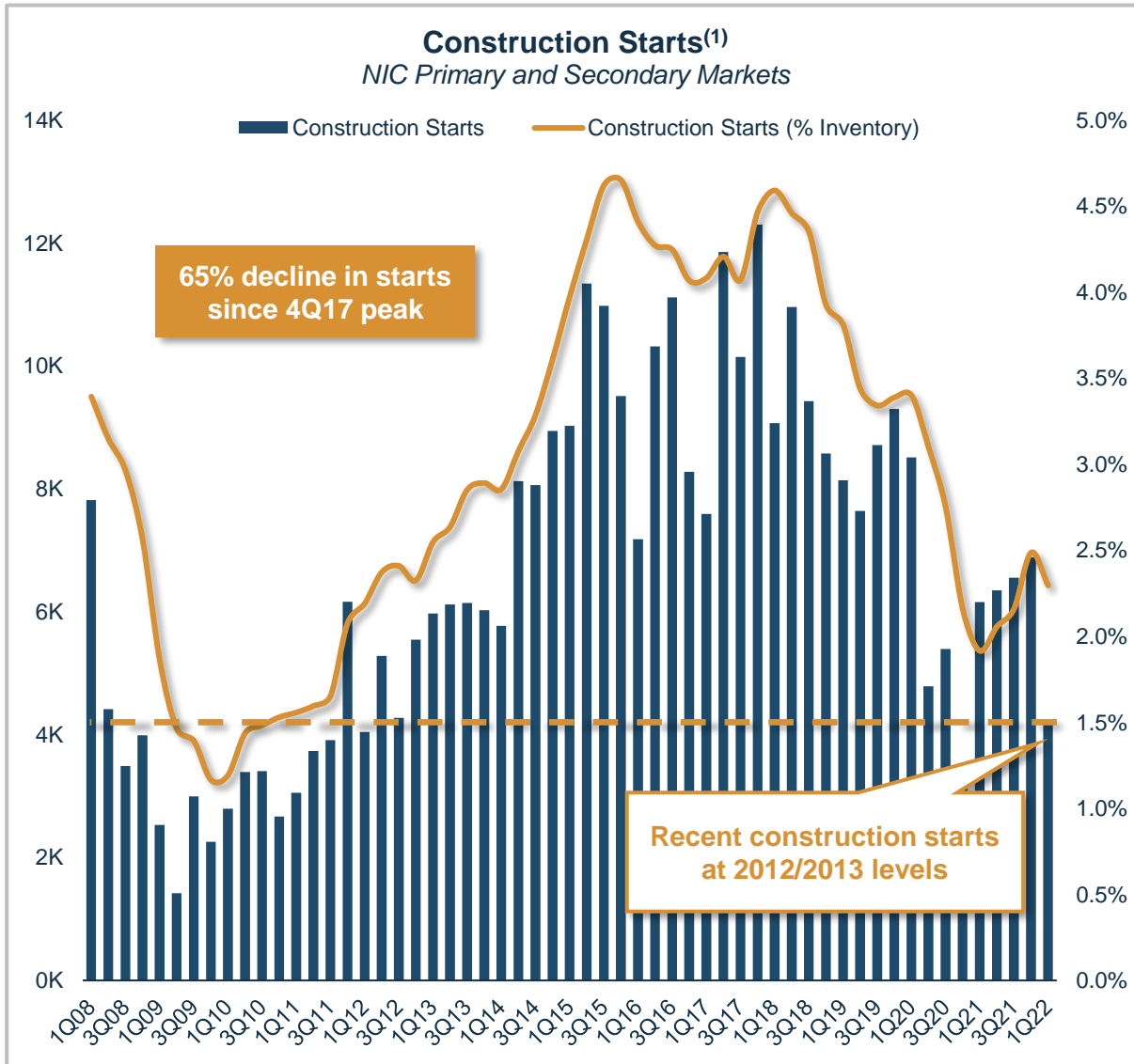


# Demographic Backdrop | Rapidly Aging Population



1. The Organisation for Economic Cooperation and Development (OECD). Data as of September 20, 2021

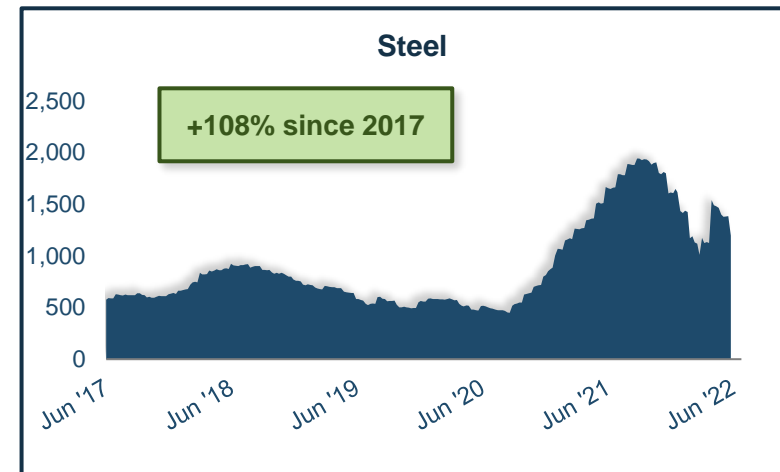
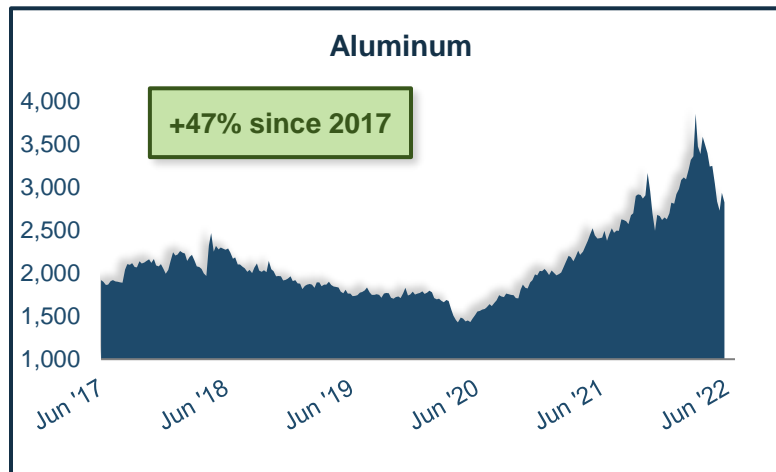
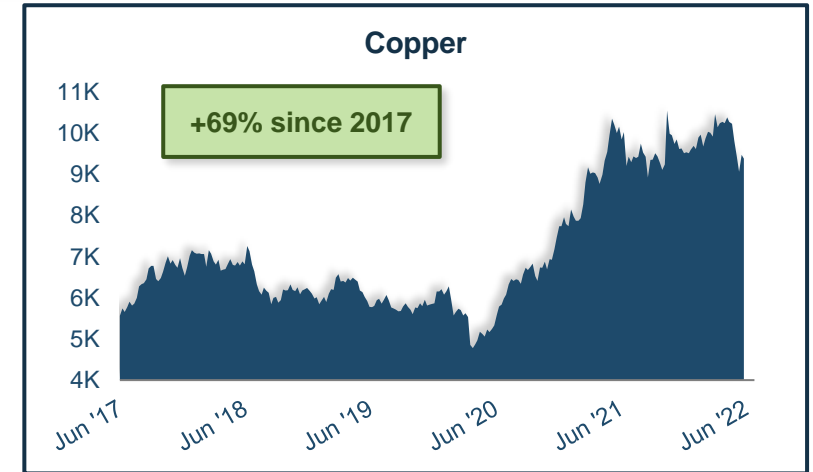
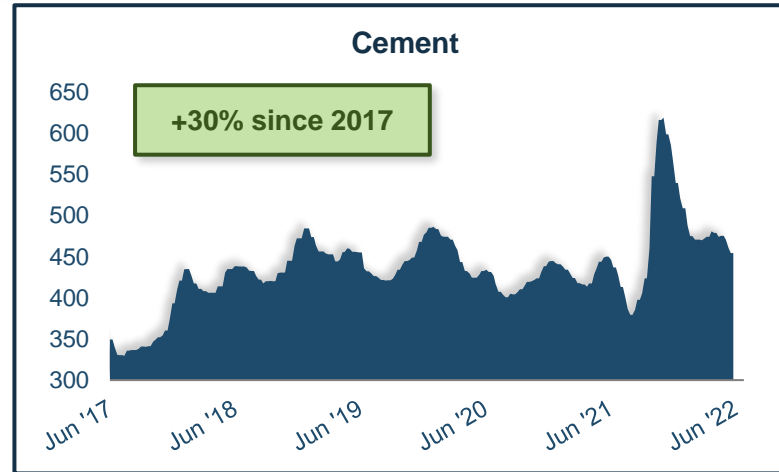
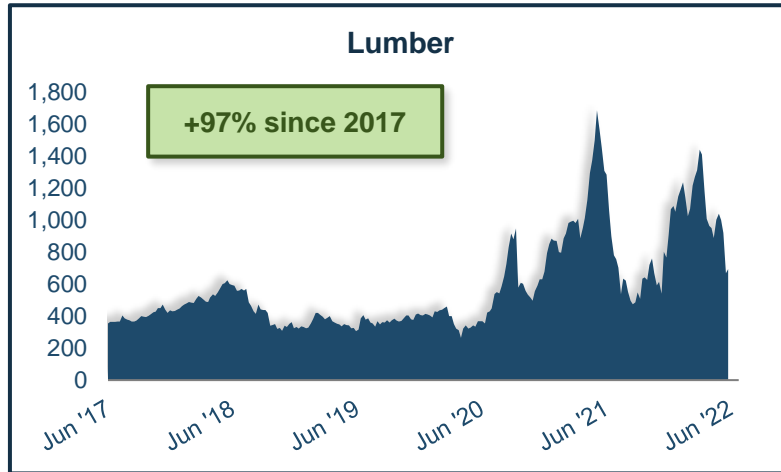
# Seniors Housing Supply | Construction Remains Well Below Peak Levels



1. Source: NIC MAP® Data Service

# 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



# **Balance Sheet Update - *As Previously Disclosed on May 10, 2022***

# Capitalizing the Opportunity<sup>(1)</sup> - As Previously Disclosed on May 10, 2022

## Disciplined Focus on Efficient & Low-Cost Capital Sourcing

✓ Access to **secured and unsecured** debt financing

✓ Pivot between **multiple sources of capital** based upon cost and availability

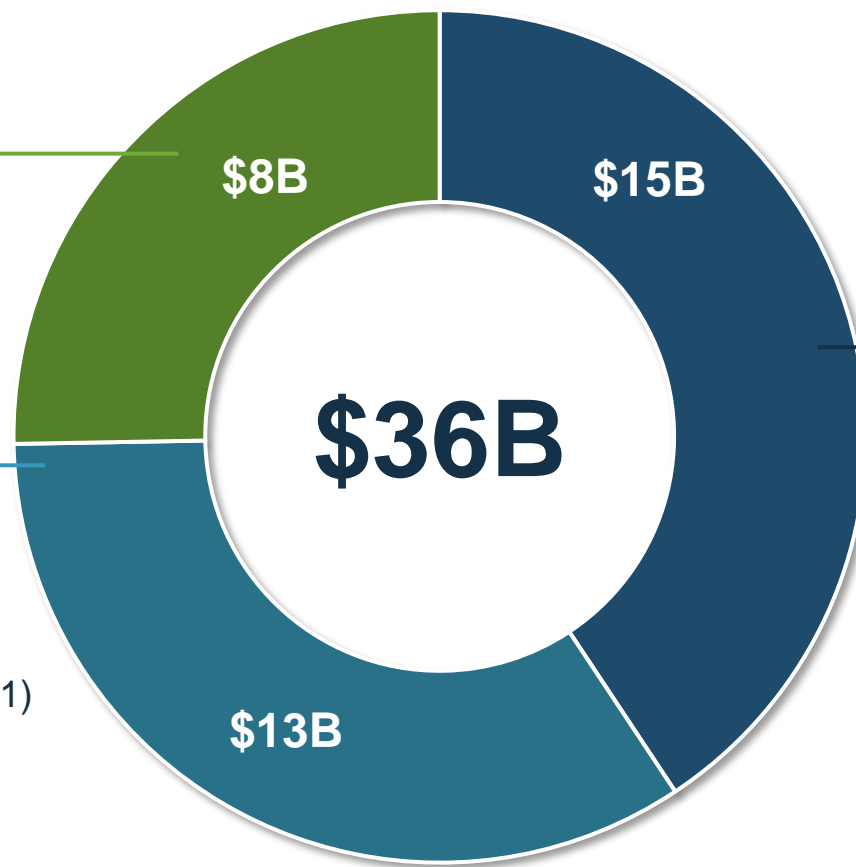
✓ **Recycle capital** to improve portfolio quality and capitalize on market inefficiencies

### \$8B | PUBLIC EQUITY

- Efficiently raised via ATM & DRIP programs since 2015

### \$13B | DEBT

- Unsecured debt issued since 2015 at average interest rate of 3.5%
- Investment grade balance sheet (BBB+/Baa1)
- \$4 billion revolving credit facility at LIBOR + 77.5bps



### \$15B | DISPOSITIONS

- Asset sales completed since 2015
- \$6B of dispositions completed during COVID-19 pandemic at near pre-pandemic valuations

# Balance Sheet Highlights – As Previously Disclosed on May 10, 2022

## Recent Highlights

- Since January 1, 2022 sold 20.9 million shares of common stock under our ATM program via forward sale agreements for total gross proceeds of approximately \$1.9 billion
  - As of May 9, 2022, approximately 19.5 million shares remain unsettled which are expected to generate future gross proceeds of \$1.8 billion
- Net debt/Adjusted EBITDA of 7.10x as of March 31, 2022<sup>(1)</sup>; SHO portfolio occupancy and margin recovery is expected to drive further improvement to leverage metrics in future quarters
  - **Net debt/Adjusted EBITDA of 6.22x assuming 1Q2022 run rate investment activity, 2Q2022 investment activity, expected proceeds from assets held for sale and settlement of equity sold on forward basis**
  - Despite near-trough cash flow, balance sheet capacity remains strong with net-debt to consolidated enterprise value at just 24.1%
- In March 2022, issued \$550 million in 3.85% senior unsecured green notes due June 2032
- No material unsecured senior note maturities until 2024

## Near Term Liquidity Profile

Cash and Restricted Cash <sup>(2)</sup>	\$367
Line of Credit Capacity	<b>\$3,700</b>
<b>Total Available Liquidity</b>	<b>\$4,067</b>
Expected Proceeds from Assets Held for Sale and Loan Payoffs <sup>(3)</sup>	\$352
Remaining Proceeds from At-the-Market Equity Issuance <sup>(4)</sup>	\$1,760
<b>Total Near-Term Available Liquidity</b>	<b>\$6,179</b>

## Unsecured Debt Covenant Compliance<sup>(5)</sup>

	1Q22	Covenant	Compliance
Secured Indebtedness to Total Assets	5.9%	<40.0%	✓
Total Indebtedness To Total Assets	42.5%	<60.0%	✓
Unencumbered Assets To Total Unsecured Debt	2.73x	>1.50x	✓
Fixed Charge Coverage Ratio	4.17x	>1.50x	✓

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

2. Cash balance of \$367 million as of March 31, 2022

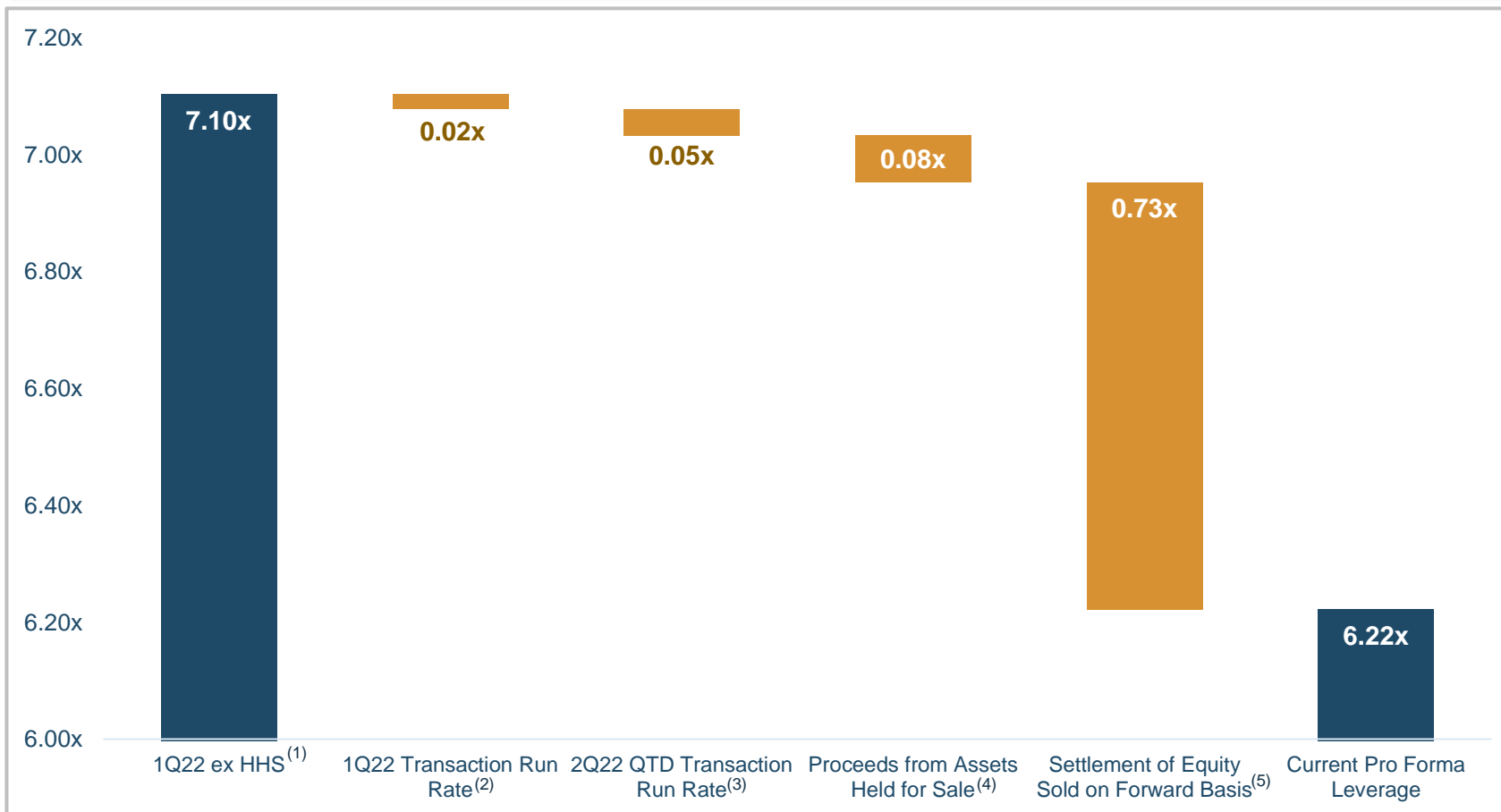
3. Includes expected proceeds of \$265 million related to assets held for sale as of 1Q2022 and \$87 million in near-term expected loan payoffs as of March 31, 2022

4. Shares issued through WELL's at-the-market program on a forward basis not yet settled through May 9, 2022

5. Welltower's unsecured debt covenant definitions were recently updated to reflect market precedent for senior unsecured note issuances subsequent March 1, 2021. Covenant calculations based on updated definitions are as follows: Secured Indebtedness to Total Assets: 4.9%, Total Indebtedness to Total Assets: 35.4%, Unencumbered Assets to Unsecured Debt: 2.73x, Fixed Charge Coverage Ratio: 4.17x

# Pro Forma Leverage - As Previously Disclosed on May 10, 2022

## Pro Forma Reduction in Net Debt/Adjusted EBITDA



## Organic De-Leveraging From Recovery in SH NOI

\$562 million in EBITDA recovery to pre-COVID occupancy levels<sup>(6)</sup> **expected to drive further reduction in leverage**

## Credit Outlook

Weighted Average Maturity of 6.9 Years

**Baa1**

**MOODY'S**

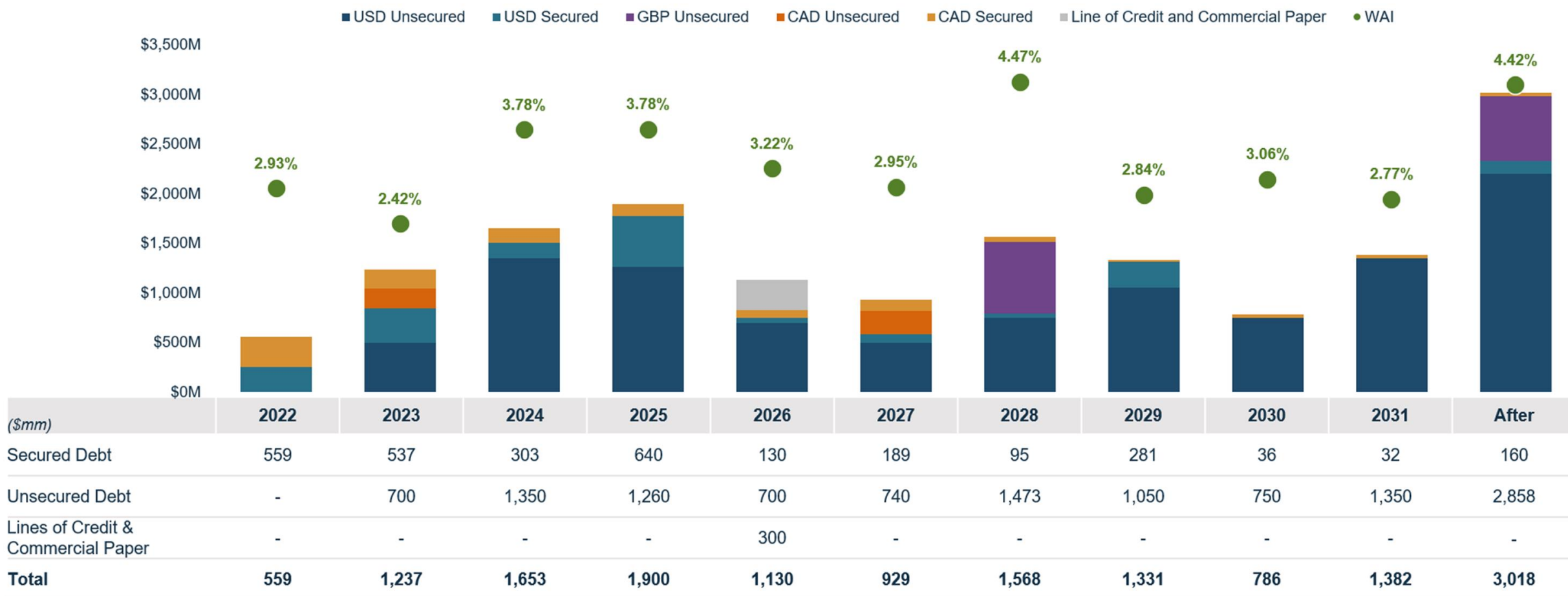
**BBB+**

**S&P Global**

1. Represents 1Q2022 Net Debt to Adjusted EBITDA ex HHS fund received. See Supplemental Financial Measures at the end of this presentation
2. Includes pro forma adjustments to reflect acquisition and disposition activity in 1Q2022 as if all transactions occurred on January 1, 2022
3. Includes pro forma adjustments to reflect \$428 million in acquisition activity closed in 2Q2022 through May 9, 2022, assuming capitalization of 65% equity and 35% debt, and \$70 million in dispositions as if all transactions occurred on January 1, 2022
4. Includes pro forma adjustment to reflect proceeds of \$281 million related to 1Q2022 assets held for sale and expected loan payoffs as of March 31, 2022 not yet closed as if the transactions had occurred on January 1, 2022
5. Includes pro forma adjustment to reflect proceeds of \$1.48 billion from the settlement of shares issued through WELL's at-the-market program on a forward basis (\$1.76 billion not yet settled through May 9, 2022 less \$278 million in proceeds to fund 65% of \$428 million in acquisitions closed in 2Q22)
6. See slide 17 for additional details on potential NOI upside

# Well-Laddered Debt Maturity Schedule<sup>(1,2,3)</sup>

## Weighted Average Maturity of 6.9 Years



1. Represents principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet
2. The 2026 maturity reflects the \$190,000,000 in principal outstanding on our unsecured commercial paper program as of as of March 31, 2022. The unsecured revolving credit facility is comprised of a \$1,000,000,000 tranche that matures on June 4, 2023 (none outstanding at March 31, 2022) and a \$3,000,000,000 tranche that matures on June 4, 2025 (\$110,000,000 at March 31, 2022). Both tranches may be extended for two successive terms of six months at our option. Commercial paper borrowings are backstopped by the unsecured revolving credit facility. As such, we calculate the weighted average remaining term of our commercial paper borrowings using the extended maturity date of the unsecured revolving credit facility
3. 2023 includes a \$500,000,000 unsecured term loan and a CAD \$250,000,000 unsecured term loan (approximately \$200,288,000 USD at March 31, 2022). 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.

# Supplemental Financial Measures

# NOI, IPNOI, SSNOI, 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. No reconciliation of the forecasted range for SSNOI on a combined basis or by property type is included in this release because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measure without unreasonable efforts, as we believe such reconciliation would imply a degree of precision that could be confusing or misleading to investors.

No reconciliation of the forecasted range for SSNOI on a combined basis or by property type is included in this release because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measure without unreasonable efforts, and we believe such reconciliation would imply a degree of precision that could be confusing or misleading to investors.

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)	1Q22	In-Place NOI by property type	1Q22	% of Total
Net income (loss)	\$ 65,751	Seniors Housing Operating	\$ 745,316	41 %
Loss (gain) on real estate dispositions, net	(22,934)	Seniors Housing Triple-Net	383,528	21 %
Loss (income) from unconsolidated entities	2,884	Outpatient Medical	434,884	24 %
Income tax expense (benefit)	5,013	Health System	172,368	9 %
Other expenses	26,069	Long-Term/Post-Acute Care	89,252	5 %
Provision for loan losses, net	(804)	Total In-Place NOI	<u>\$ 1,825,348</u>	100 %
Loss (gain) on extinguishment of debt, net	(12)			
Loss (gain) on derivatives and financial instruments, net	2,578			
General and administrative expenses	37,706			
Depreciation and amortization	304,088			
Interest expense	<u>121,696</u>			
Consolidated net operating income	542,035			
NOI attributable to unconsolidated investments <sup>(1)</sup>	20,142			
NOI attributable to noncontrolling interests <sup>(2)</sup>	<u>(34,999)</u>			
Pro rata net operating income (NOI)	527,178			
Adjust:				
Interest income	(39,673)			
Other income <sup>(3)</sup>	(11,133)			
Sold / held for sale	(2,804)			
Non operational <sup>(4)</sup>	1,053			
Non In-Place NOI <sup>(5)</sup>	(21,668)			
Timing adjustments <sup>(6)</sup>	<u>3,384</u>			
In-Place NOI	<u>456,337</u>			
Annualized In-Place NOI	<u>\$ 1,825,348</u>			

(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 and includes an adjustment to remove NOI related to a leasehold portfolio interest for 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flows relating to the leasehold properties.

(3) Excludes amounts recognized in other income related to the Health and Human Services Provider Relief Fund in the US and similar programs in the UK and Canada.

(4) Primarily includes development properties and land parcels.

(5) Primarily represents non-cash NOI.

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



# 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 cash equivalents and restricted cash. 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 restricted cash.

# Net Debt to Adjusted EBITDA

(dollars in thousands)

	<u>Three Months Ended</u> <u>March 31,</u> <u>2022</u>		<u>Three Months Ended</u> <u>March 31,</u> <u>2022</u>
Net income	\$ 65,751	Long-term debt obligations <sup>(3)</sup>	\$ 14,652,497
Interest expense	121,696	Cash and cash equivalents and restricted cash	(367,043)
Income tax expense (benefit)	5,013	Net debt	14,285,454
Depreciation and amortization	<u>304,088</u>	Adjusted EBITDA	<u>503,327</u>
EBITDA	496,548	Adjusted EBITDA annualized	<u>\$ 2,013,308</u>
Loss (income) from unconsolidated entities	2,884	Net debt to Adjusted EBITDA ratio	<u>7.10 x</u>
Stock-based compensation expense	7,445		
Loss (gain) on extinguishment of debt, net	(12)		
Loss (gain) on real estate dispositions, net	(22,934)		
Provision for loan losses, net	(804)		
Loss (gain) on derivatives and financial instruments, net	2,578		
Other expenses	26,066		
Leasehold interest adjustment <sup>(1)</sup>	(8,457)		
Casualty losses, net of recoveries <sup>(2)</sup>	<u>13</u>		
Adjusted EBITDA	<u>\$ 503,327</u>		

1. Represents \$13,941,000 of revenues and \$5,484,000 of property operating expenses associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

2. Represents casualty losses net of any insurance recoveries.

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

# 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"), 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.

# Earnings Outlook Reconciliation

## Outlook Reconciliation: Quarter Ending June 30, 2022 (in millions, except per share data)

	Prior Outlook		Current Outlook	
	Low	High	Low	High
<u>FFO Reconciliation:</u>				
Net income attributable to common stockholders	\$ 94	\$ 117	\$ 103	\$ 117
Depreciation and amortization <sup>(1)</sup>	323	323	323	323
NAREIT FFO attributable to common stockholders	417	440	426	440
Normalizing items, net <sup>(1,2)</sup>	(39)	(39)	(39)	(39)
Normalized FFO attributable to common stockholders	\$ 378	\$ 401	\$ 387	\$ 401
Diluted per share data attributable to common stockholders:				
Net income	\$ 0.20	\$ 0.25	\$ 0.22	\$ 0.25
NAREIT FFO	\$ 0.90	\$ 0.95	\$ 0.92	\$ 0.95
Normalized FFO	\$ 0.82	\$ 0.87	\$ 0.84	\$ 0.87
Other items: <sup>(1)</sup>				
Net straight-line rent and above/below market rent amortization	\$ (25)	\$ (25)	\$ (25)	\$ (25)
Non-cash interest expenses	5	5	5	5
Recurring cap-ex, tenant improvements, and lease commissions	(39)	(39)	(39)	(39)
Stock-based compensation	6	6	6	6

1. Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities
2. Primarily relates to NHI lease termination in April.

# NOI, IPNOI, SSNOI, 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.

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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. No reconciliation of the forecasted range for SSNOI on a combined basis or by property type is included in this release because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measure without unreasonable efforts, as we believe such reconciliation would imply a degree of precision that could be confusing or misleading to investors.

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# In-Place NOI Reconciliations

(dollars in thousands)

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Adjust:				
Interest income	(39,673)			
Other income <sup>(3)</sup>	(11,133)			
Sold / held for sale	(2,804)			
Non operational <sup>(4)</sup>	1,053			
Non In-Place NOI <sup>(5)</sup>	(21,668)			
Timing adjustments <sup>(6)</sup>	<u>3,384</u>			
In-Place NOI	<u>456,337</u>			
Annualized In-Place NOI	<u>\$ 1,825,348</u>			

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 and includes an adjustment to remove NOI related to a leasehold portfolio interest for 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flows relating to the leasehold properties.
3. Excludes amounts recognized in other income related to the Health and Human Services Provider Relief Fund in the US and similar programs in the UK and Canada.
4. Primarily includes development properties and land parcels.
5. Primarily represents non-cash NOI.
6. Represents timing adjustments for current quarter acquisitions, construction conversions and segment or operator transitions.

# 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 cash equivalents and restricted cash. 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 restricted cash.



# Net Debt to Adjusted EBITDA

(dollars in thousands)

	<u>Three Months Ended</u> <u>March 31,</u> <u>2022</u>		<u>Three Months Ended</u> <u>March 31,</u> <u>2022</u>
Net income	\$ 65,751	Long-term debt obligations <sup>(3)</sup>	\$ 14,652,497
Interest expense	121,696	Cash and cash equivalents and restricted cash	(367,043)
Income tax expense (benefit)	5,013	Net debt	14,285,454
Depreciation and amortization	<u>304,088</u>	Adjusted EBITDA	<u>503,327</u>
EBITDA	496,548	Adjusted EBITDA annualized	<u>\$ 2,013,308</u>
Loss (income) from unconsolidated entities	2,884	Net debt to Adjusted EBITDA ratio	<u>7.10 x</u>
Stock-based compensation expense	7,445		
Loss (gain) on extinguishment of debt, net	(12)		
Loss (gain) on real estate dispositions, net	(22,934)		
Provision for loan losses, net	(804)		
Loss (gain) on derivatives and financial instruments, net	2,578		
Other expenses	26,066		
Leasehold interest adjustment <sup>(1)</sup>	(8,457)		
Casualty losses, net of recoveries <sup>(2)</sup>	<u>13</u>		
Adjusted EBITDA	<u>\$ 503,327</u>		

1. Represents \$13,941,000 of revenues and \$5,484,000 of property operating expenses associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.
2. Represents casualty losses net of any insurance recoveries.
3. Includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities. Excludes operating lease liabilities related to ASC 842 adoption.

# Pro Forma Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended March 31, 2022 (Actual) <sup>(1)</sup>	HHS Received <sup>(2)</sup>	1Q22 Acquisitions and Dispositions <sup>(3)</sup>	2Q22 Announced Acquisitions and Loan Funding <sup>(4)</sup>	ATM Forward Sale Settlement <sup>(5)</sup>	March 31, 2022 Held-for-Sale Dispositions & Loan Payoffs <sup>(6)</sup>	Three Months Ended March 31, 2022 (Pro Forma)
Adjusted EBITDA	\$ 503,327	\$ (580)	\$ 1,756	\$ 6,127	\$ —	\$ (4,304)	506,326
Annualized Adjusted EBITDA	\$ 2,013,308	\$ (2,320)	\$ 7,024	\$ 24,508	\$ —	\$ (17,216)	2,025,304
Net Debt <sup>(7)</sup>	\$ 14,285,454	\$ —	\$ —	\$ 79,967	\$ (1,481,676)	\$ (282,254)	12,601,491
Net Debt to Adjusted EBITDA	7.10 x						6.22 x

1. Please refer to calculation of Adjusted EBITDA for the three months ended March 31, 2022 on page the previous slide.
2. Pro forma adjustment to remove Health and Human Services grants received and recognized during the three months ended March 31, 2022.
3. Pro forma adjustment to reflect acquisition and loan funding activity for the three months ended March 31, 2022, as well as disposition activity for the same period as detailed on the Gross Investment Activity page of our Supplemental Information report for 1Q22, as if the transactions occurred on January 1, 2022. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be an 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 1.) the \$428 million of acquisitions and loan funding activity occurring since March 31, 2022, as if the transactions occurred on January 1, 2022, assuming capitalization of 65% equity and 35% debt and 2.) \$70 million of dispositions and loan payoff activity occurring since March 31, 2022, as if the transactions occurred on January 1, 2022, assuming the proceeds reduce net debt. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be an 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 \$1.76 billion of expected net cash proceeds associated with the settlement of forward sales under our ATM program as if such forward sales were settled on January 1, 2022 offset by assumed capitalization of 65% of the \$428 million of acquisitions and loan funding activity occurring since March 31, 2022.
6. Pro forma adjustment to reflect the impact of the expected sale of properties classified as held-for-sale as of March 31, 2022 and expected loan payoffs, as if the transactions occurred on January 1, 2022. Pro forma adjustments are based on estimates and assumptions and are preliminary in nature, and should not be assumed to be an 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.
7. Net debt includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities of \$110,824,000 but excludes operating lease liabilities of \$438,175,000. Furthermore, net debt includes cash and cash equivalents and restricted cash.

