

# NON-GAAP FINANCIAL MEASURES

*Quarter Ended June 30, 2022*

**welltower**



# FORWARD LOOKING STATEMENTS

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.



# 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 Net Operating Income ("NOI"), In-Place NOI ("IPNOI"), Same Store NOI ("SSNOI"), Revenues per Occupied Room ("REVPOR"), Same Store REVPOR ("SS REVPOR"), Funds From Operations attributable to common stockholders ("FFO"), Normalized FFO, 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.

The information in this supplemental information package should be read in conjunction with our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, earnings press releases/supplements and other information filed with, or furnished to, the Securities and Exchange Commission ("SEC").



# 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 and 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.

# FFO QUARTERLY RECONCILIATIONS

(in thousands, except per share information)

	Three Months Ended				
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Net income (loss) attributable to common stockholders	\$ 26,257	\$ 179,663	\$ 58,672	\$ 61,925	\$ 89,784
Depreciation and amortization	240,885	267,754	284,501	304,088	310,295
Impairments and losses (gains) on real estate dispositions, net	(20,976)	(118,464)	(9,316)	(22,934)	3,532
Noncontrolling interests <sup>(1)</sup>	(16,591)	(11,095)	(13,988)	(14,753)	(13,173)
Unconsolidated entities <sup>(2)</sup>	19,265	27,881	19,107	19,309	19,150
NAREIT FFO attributable to common stockholders	248,840	345,739	338,976	347,635	409,588
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	(359)	(8,078)	(830)	2,578	(1,407)
Loss (gain) on extinguishment of debt, net	55,612	(5)	(1,090)	(12)	603
Provision for loan losses, net	6,197	(271)	(39)	(804)	165
Nonrecurring income tax benefits	(6,298)	—	—	—	—
Other impairment	—	—	—	—	(620)
Other expenses	11,687	3,575	15,483	26,069	35,166
Lease termination and leasehold interest adjustment	—	(640)	1,400	(8,457)	(56,397)
Casualty losses, net of recoveries	—	998	4,788	13	2,673
Foreign currency loss (gain)	—	—	—	—	1,840
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	14,568	949	3,424	1,260	3,002
Normalized FFO attributable to common stockholders	\$ 330,247	\$ 342,267	\$ 362,112	\$ 368,282	\$ 394,613
Average common shares outstanding:					
Basic	417,452	428,031	436,909	447,379	454,327
Diluted	419,305	429,983	438,719	449,802	457,082
Net income (loss) attributable to common stockholders per share:					
Basic	\$ 0.06	\$ 0.42	\$ 0.13	\$ 0.14	\$ 0.20
Diluted <sup>(3)</sup>	\$ 0.06	\$ 0.42	\$ 0.13	\$ 0.14	\$ 0.20
NAREIT FFO attributable to common stockholders per share:					
Diluted	\$ 0.59	\$ 0.80	\$ 0.77	\$ 0.77	\$ 0.90
Normalized FFO attributable to common stockholders per share:					
Diluted	\$ 0.79	\$ 0.80	\$ 0.83	\$ 0.82	\$ 0.86
NAREIT FFO Payout Ratio:					
Dividends per common share	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61
NAREIT FFO attributable to common stockholders per diluted share	\$ 0.59	\$ 0.80	\$ 0.77	\$ 0.77	\$ 0.90
NAREIT FFO Payout Ratio	103 %	76 %	79 %	79 %	68 %
Normalized FFO Payout Ratio:					
Dividends per common share	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61
Normalized FFO attributable to common stockholders per diluted share	\$ 0.79	\$ 0.80	\$ 0.83	\$ 0.82	\$ 0.86
Normalized FFO Payout Ratio	77 %	76 %	73 %	74 %	71 %
Other items: <sup>(4)</sup>					
Net straight-line rent and above/below market rent amortization <sup>(5)</sup>	\$ (20,729)	\$ (19,809)	\$ (18,792)	\$ (20,014)	\$ (25,507)
Non-cash interest expenses <sup>(6)</sup>	4,714	6,223	7,027	4,721	7,422
Recurring cap-ex, tenant improvements, and lease commissions	(20,426)	(22,722)	(46,344)	(32,466)	(39,558)
Stock-based compensation <sup>(7)</sup>	4,129	4,479	2,945	7,441	5,900

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

(3) Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

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

(5) Excludes normalized other impairment.

(6) Excludes normalized incremental interest expense.

(7) Excludes certain severance related stock-based compensation recorded in other expense.

# FFO YEAR-TO-DATE RECONCILIATIONS

(in thousands, except per share information)

	Six Months Ended	
	June 30, 2021	June 30, 2022
Net income (loss) attributable to common stockholders	\$ 97,803	\$ 151,709
Depreciation and amortization	485,311	614,383
Impairments and losses (gains) on real estate dispositions, net	(56,488)	(19,402)
Noncontrolling interests <sup>(1)</sup>	(29,107)	(27,926)
Unconsolidated entities <sup>(2)</sup>	38,488	38,459
NAREIT FFO attributable to common stockholders	536,007	757,223
Normalizing items:		
Loss (gain) on derivatives and financial instruments, net	1,575	1,171
Loss (gain) on extinguishment of debt, net	50,969	591
Provision for loan losses, net	7,580	(639)
Preferred stock redemption charge	(6,298)	—
Other impairment	49,241	(620)
Other expenses	22,681	61,235
Lease termination and leasehold interest adjustment	—	(64,854)
Casualty losses, net of recoveries	—	2,686
Foreign currency loss (gain)	—	1,840
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	2,404	4,262
Normalized FFO attributable to common stockholders	\$ 664,159	\$ 762,895
Average common shares outstanding:		
Basic	417,360	450,865
Diluted	419,205	453,455
Net income (loss) attributable to common stockholders per share:		
Basic	\$ 0.23	\$ 0.34
Diluted <sup>(3)</sup>	\$ 0.23	\$ 0.33
NAREIT FFO attributable to common stockholders per share:		
Diluted	\$ 1.28	\$ 1.67
Normalized FFO attributable to common stockholders per share:		
Diluted	\$ 1.58	\$ 1.68
NAREIT FFO Payout Ratio:		
Dividends per common share	\$ 1.22	\$ 1.22
NAREIT FFO attributable to common stockholders per diluted share	\$ 1.28	\$ 1.67
NAREIT FFO Payout Ratio	95 %	73 %
Normalized FFO Payout Ratio:		
Dividends per common share	\$ 1.22	\$ 1.22
Normalized FFO attributable to common stockholders per diluted share	\$ 1.58	\$ 1.68
Normalized FFO Payout Ratio	77 %	73 %
Other Items: <sup>(4)</sup>		
Net straight-line rent and above/below market rent amortization <sup>(5)</sup>	\$ (38,863)	\$ (45,521)
Non-cash interest expenses <sup>(6)</sup>	8,349	12,143
Recurring cap-ex, tenant improvements, and lease commissions	(31,859)	(72,024)
Stock-based compensation <sup>(7)</sup>	9,510	13,341

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

(3) Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

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

(5) Excludes normalized other impairment.

(6) Excludes normalized incremental interest expense.

(7) Excludes certain severance related stock-based compensation recorded in other expense.

# Earnings Outlook Reconciliation

## Outlook Reconciliation: Quarter Ending September 30, 2022

(in millions, except per share data)

	Current Outlook	
	Low	High
<u>FFO Reconciliation:</u>		
Net income attributable to common stockholders	\$ 57	\$ 81
Depreciation and amortization <sup>(1)</sup>	334	334
NAREIT FFO and Normalized FFO attributable to common stockholders	\$ 391	\$ 415
Diluted per share data attributable to common stockholders:		
Net income	\$ 0.12	\$ 0.17
NAREIT FFO and Normalized FFO	\$ 0.82	\$ 0.87
Other items: <sup>(1)</sup>		
Net straight-line rent and above/below market rent amortization	\$ (25)	\$ (25)
Non-cash interest expenses	6	6
Recurring cap-ex, tenant improvements, and lease commissions	(49)	(49)
Stock-based compensation	5	5

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



# NOI, IPNOI, SSNOI, REVPOR AND 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. Acquisitions and development conversions are included in the same store amounts five full quarters after acquisition or being placed into service. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the period, are excluded from the same store amounts. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from the same store amounts until five full quarters post completion of the redevelopment. Properties undergoing operator transitions and/or segment transitions are also excluded from the same store amounts until five full quarters post completion of the operator transition or segment transition. In addition, properties significantly impacted by force majeure, acts of God or other extraordinary adverse events are excluded from same store amounts until five full quarters after the properties are placed back into service. SSNOI excludes non-cash NOI and includes adjustments to present consistent property ownership percentages and to translate Canadian properties and UK properties using a consistent exchange rate. 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. We believe NOI, IPNOI and SSNOI 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 NOI, IPNOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

REVPOR represents the average revenues generated per occupied room per month at our Seniors Housing Operating properties. It is calculated as the pro rata version of resident fees and services revenues per 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 our 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.



# NOI QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Net income (loss)	\$ 45,757	\$ 190,336	\$ 66,194	\$ 65,751	\$ 95,672
Loss (gain) on real estate dispositions, net	(44,668)	(119,954)	(11,673)	(22,934)	3,532
Loss (income) from unconsolidated entities	7,976	15,832	12,174	2,884	7,058
Income tax expense (benefit)	(2,221)	4,940	2,051	5,013	3,065
Other expenses	11,687	3,575	15,483	26,069	35,166
Impairment of assets	23,692	1,490	2,357	—	—
Provision for loan losses, net	6,197	(271)	(39)	(804)	165
Loss (gain) on extinguishment of debt, net	55,612	(5)	(1,090)	(12)	603
Loss (gain) on derivatives and financial instruments, net	(359)	(8,078)	(830)	2,578	(1,407)
General and administrative expenses	31,436	32,256	33,109	37,706	36,554
Depreciation and amortization	240,885	267,754	284,501	304,088	310,295
Interest expense	122,341	122,522	121,848	121,696	127,750
Consolidated net operating income	498,335	510,397	524,085	542,035	618,453
NOI attributable to unconsolidated investments <sup>(1)</sup>	21,180	20,042	20,287	20,142	23,648
NOI attributable to noncontrolling interests <sup>(2)</sup>	(43,786)	(31,061)	(27,889)	(34,999)	(82,804)
Pro rata net operating income (NOI) <sup>(3)</sup>	\$ 475,729	\$ 499,378	\$ 516,483	\$ 527,178	\$ 559,297
Pro rata NOI:					
Seniors Housing Operating	\$ 143,751	\$ 167,855	\$ 178,963	\$ 195,043	\$ 223,784
Seniors Housing Triple-net	130,983	139,166	142,478	135,939	136,647
Outpatient Medical	114,330	111,207	113,768	112,998	115,043
Health System	46,500	46,140	47,376	51,208	51,952
Long-Term/Post-Acute Care	39,667	34,702	32,285	31,422	30,851
Corporate	498	308	1,613	568	1,020
Pro rata NOI <sup>(3)</sup>	\$ 475,729	\$ 499,378	\$ 516,483	\$ 527,178	\$ 559,297

(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 and includes an adjustment to remove NOI related to certain leasehold properties.

(3) Represents Welltower's pro rata share of NOI. Includes amounts from investments sold or held for sale. NOI related to DownREITs included at 100%.

# NOI YEAR-TO-DATE RECONCILIATIONS

(dollars in thousands)

	<b>Six Months Ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2022</b>
Net income	\$ 117,949	\$ 161,423
Loss (gain) on real estate dispositions, net	(103,748)	(19,402)
Loss (income) from unconsolidated entities	(5,073)	9,942
Income tax expense (benefit)	1,722	8,078
Other expenses	22,681	61,235
Impairment of assets	47,260	—
Provision for loan losses, net	7,580	(639)
Loss (gain) on extinguishment of debt, net	50,969	591
Loss (gain) on derivatives and financial instruments, net	1,575	1,171
General and administrative expenses	61,362	74,260
Depreciation and amortization	485,311	614,383
Interest expense	245,483	249,446
Consolidated net operating income	933,071	1,160,488
NOI attributable to unconsolidated investments <sup>(1)</sup>	42,696	43,790
NOI attributable to noncontrolling interests <sup>(2)</sup>	(64,613)	(117,803)
Pro rata net operating income (NOI) <sup>(3)</sup>	<u>\$ 911,154</u>	<u>\$ 1,086,475</u>
Pro rata NOI:		
Seniors Housing Operating	\$ 315,811	\$ 418,827
Seniors Housing Triple-net	188,126	272,586
Outpatient Medical	223,728	228,041
Health System	88,925	103,160
Long-Term/Post-Acute Care	92,591	62,273
Corporate	1,973	1,588
Pro rata NOI <sup>(3)</sup>	<u>\$ 911,154</u>	<u>\$ 1,086,475</u>

(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 and includes an adjustment to remove NOI related to certain leasehold properties.

(3) Represents Welltower's pro rata share of NOI. Includes amounts from investments sold or held for sale. NOI related to DownREITs included at 100%

# CURRENT QUARTER SSNOI BY SEGMENT

(dollars in thousands at Welltower pro rata ownership)

	2021	3Q21	4Q21	1Q22	2Q22	Y/o/Y
<b>Seniors Housing Operating</b>						
NOI	\$ 143,751	\$ 167,855	\$ 178,963	\$ 195,043	\$ 223,784	
Non-cash NOI on same store properties	12,268	(98)	(36)	(74)	(204)	
NOI attributable to non-same store properties	(13,661)	(30,018)	(35,493)	(51,940)	(55,167)	
Currency and ownership adjustments <sup>(1)</sup>	(1,638)	(502)	(615)	(238)	335	
Normalizing adjustment for government grants <sup>(2)</sup>	(8,130)	(3,915)	(18,051)	(1,304)	(16,098)	
Normalizing adjustment for management fee reduction <sup>(3)</sup>	(2,044)	—	—	—	—	
Normalizing adjustment for prior period allowance <sup>(4)</sup>	1,670	—	—	—	—	
Normalizing adjustment for casualty related expenses, net <sup>(5)</sup>	1,824	1,114	4,230	(249)	1,259	
Other normalizing adjustments <sup>(6)</sup>	(356)	(863)	(473)	—	321	
SSNOI <sup>(7)</sup>	133,684	133,573	128,525	141,238	154,230	15.4%
<b>Seniors Housing Triple-net</b>						
NOI	130,983	139,166	142,478	135,939	136,647	
Non-cash NOI on same store properties	(7,108)	(5,989)	(4,671)	(4,578)	(10,862)	
NOI attributable to non-same store properties	(47,009)	(53,562)	(53,186)	(44,907)	(42,880)	
Currency and ownership adjustments <sup>(1)</sup>	(497)	(197)	266	437	1,414	
Other normalizing adjustments <sup>(6)</sup>	323	(117)	59	(213)	1	
SSNOI	76,692	79,301	84,946	86,678	84,320	9.9%
<b>Outpatient Medical</b>						
NOI	114,330	111,207	113,768	112,998	115,043	
Non-cash NOI on same store properties	(2,744)	(1,956)	(2,549)	(2,099)	(2,468)	
NOI attributable to non-same store properties	(11,865)	(8,557)	(9,398)	(8,086)	(10,407)	
Currency and ownership adjustments <sup>(1)</sup>	(1)	350	(189)	118	(58)	
Other normalizing adjustments <sup>(6)</sup>	(348)	(1,014)	294	(537)	(262)	
SSNOI	99,372	100,030	101,926	102,394	101,848	2.5%
<b>Health System</b>						
NOI	46,500	46,140	47,376	51,208	51,952	
Non-cash NOI on same store properties	(5,943)	(5,236)	(6,318)	(8,259)	(8,370)	
NOI attributable to non-same store properties	(1,212)	(836)	(631)	(619)	(628)	
Currency and ownership adjustments <sup>(1)</sup>	2,459	2,504	2,527	625	—	
SSNOI	41,804	42,572	42,954	42,955	42,954	2.8%
<b>Long-Term/Post-Acute Care</b>						
NOI	39,667	34,702	32,285	31,422	30,851	
Non-cash NOI on same store properties	(950)	(1,137)	(937)	(1,026)	(724)	
NOI attributable to non-same store properties	(16,849)	(11,679)	(9,376)	(8,082)	(7,721)	
Currency and ownership adjustments <sup>(1)</sup>	(67)	(21)	(19)	(10)	4	
SSNOI	21,801	21,865	21,953	22,304	22,410	2.8%
<b>Corporate</b>						
NOI	498	308	1,613	568	1,020	
NOI attributable to non-same store properties	(498)	(308)	(1,613)	(568)	(1,020)	
SSNOI	—	—	—	—	—	
<b>Total</b>						
NOI	475,729	499,378	516,483	527,178	559,297	
Non-cash NOI on same store properties	(4,477)	(14,416)	(14,511)	(16,036)	(22,628)	
NOI attributable to non-same store properties	(91,094)	(104,960)	(109,697)	(114,202)	(117,823)	
Currency and ownership adjustments <sup>(1)</sup>	256	2,134	1,970	932	1,695	
Normalizing adjustments, net	(7,061)	(4,795)	(13,941)	(2,303)	(14,779)	
SSNOI	\$ 373,353	\$ 377,341	\$ 380,304	\$ 395,569	\$ 405,762	8.7%

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2738 and to translate UK properties at a GBP/USD rate of 1.3501

(2) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(3) Represents normalizing adjustment related to a management fee reduction for one Seniors Housing Operating partner.

(4) Represents normalizing adjustment related to an allowance of prior period rent related to one Seniors Housing Operating lease.

(5) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.

(6) Represents aggregate normalizing adjustments which are individually less than 0.50% of SSNOI growth per property type.

(7) SHO SSNOI includes expenses that are directly attributable to the COVID-19 pandemic net of any reimbursements exclusive of those included in (2) above.

# IPNOI RECONCILIATION

(in thousands at Welltower pro rata ownership)

	<u>Seniors Housing Operating</u>	<u>Seniors Housing Triple-net</u>	<u>Outpatient Medical</u>	<u>Health System</u>	<u>Long-Term /Post-Acute Care</u>	<u>Corporate</u>	<u>Total</u>
<b>Three months ended June 30, 2022</b>							
Revenues	\$ 1,000,962	\$ 144,425	\$ 166,220	\$ 52,052	\$ 34,688	\$ 3,665	\$ 1,402,012
Property operating expenses	<u>(777,178)</u>	<u>(7,778)</u>	<u>(51,177)</u>	<u>(100)</u>	<u>(3,837)</u>	<u>(2,645)</u>	<u>(842,715)</u>
<b>NOI<sup>(1)</sup></b>	<b>223,784</b>	<b>136,647</b>	<b>115,043</b>	<b>51,952</b>	<b>30,851</b>	<b>1,020</b>	<b>559,297</b>
Adjust:							
Interest income	(1,642)	(31,725)	(65)	—	(5,499)	—	(38,931)
Other income	1,251	(1,786)	(2,347)	—	—	(3,665)	(6,547)
Sold / held for sale	233	56	(15)	(462)	(1,814)	—	(2,002)
Non operational <sup>(2)</sup>	1,198	—	84	—	(509)	—	773
Non In-Place NOI <sup>(3)</sup>	(7,073)	(11,435)	(3,627)	(8,464)	(725)	2,645	(28,679)
Timing adjustments <sup>(4)</sup>	<u>6,198</u>	<u>117</u>	<u>1,007</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,322</u>
Total adjustments	<u>165</u>	<u>(44,773)</u>	<u>(4,963)</u>	<u>(8,926)</u>	<u>(8,547)</u>	<u>(1,020)</u>	<u>(68,064)</u>
<b>In-Place NOI</b>	<b>223,949</b>	<b>91,874</b>	<b>110,080</b>	<b>43,026</b>	<b>22,304</b>	<b>—</b>	<b>491,233</b>
<b>Annualized In-Place NOI</b>	<b><u>\$ 895,796</u></b>	<b><u>\$ 367,496</u></b>	<b><u>\$ 440,320</u></b>	<b><u>\$ 172,104</u></b>	<b><u>\$ 89,216</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 1,964,932</u></b>

(1) Represents Welltower's pro rata share of NOI. See page 9 for more information.

(2) Primarily includes development properties and land parcels.

(3) Primarily represents non-cash NOI.

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

# RECONCILIATIONS OF SHO SS REVPOR GROWTH, SSNOI GROWTH AND SSNOI/UNIT

(dollars in thousands, except SS REVPOR and SSNOI/unit)

	United States		United Kingdom		Canada		Total	
	2Q21	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21	2Q22
<b>SHO SS REVPOR Growth</b>								
Consolidated SHO revenues	\$ 540,559	\$ 859,987	\$ 98,221	\$ 99,647	\$ 103,769	\$ 111,576	\$ 742,549	\$ 1,071,210
Unconsolidated SHO revenues attributable to WELL <sup>(1)</sup>	22,788	28,910	—	—	22,178	22,546	44,966	51,456
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(24,334)	(89,739)	(12,267)	(9,339)	(22,746)	(22,626)	(59,347)	(121,704)
SHO pro rata revenues <sup>(3)</sup>	539,013	799,158	85,954	90,308	103,201	111,496	728,168	1,000,962
Non-cash revenues on same store properties	(571)	(613)	—	—	—	—	(571)	(613)
Revenues attributable to non-same store properties	(31,403)	(224,351)	(65,374)	(68,242)	(4,104)	(13,666)	(100,881)	(306,259)
Currency and ownership adjustments <sup>(4)</sup>	766	147	97	1,642	(3,545)	200	(2,682)	1,989
SHO SS revenues <sup>(5)</sup>	507,805	574,341	20,677	23,708	95,552	98,030	624,034	696,079
Avg. occupied units/month <sup>(6)</sup>	27,263	29,648	742	832	10,849	10,989	38,854	41,469
SHO SS REVPOR <sup>(7)</sup>	\$ 6,226	\$ 6,475	\$ 9,314	\$ 9,524	\$ 2,944	\$ 2,982	\$ 5,368	\$ 5,611
SS REVPOR YOY growth		4.0 %		2.3 %		1.3 %		4.5 %
<b>SHO SSNOI Growth</b>								
Consolidated SHO NOI	\$ 107,314	\$ 237,393	\$ 22,663	\$ 16,579	\$ 30,211	\$ 27,939	\$ 160,188	\$ 281,911
Unconsolidated SHO NOI attributable to WELL <sup>(1)</sup>	3,421	5,104	—	—	7,867	6,843	11,288	11,947
SHO NOI attributable to noncontrolling interests <sup>(2)</sup>	(18,682)	(63,881)	(2,612)	(1,279)	(6,431)	(4,914)	(27,725)	(70,074)
SHO pro rata NOI <sup>(3)</sup>	92,053	178,616	20,051	15,300	31,647	29,868	143,751	223,784
Non-cash NOI on same store properties	12,270	(205)	—	—	(2)	1	12,268	(204)
NOI attributable to non-same store properties	1,712	(38,011)	(14,805)	(11,428)	(568)	(5,728)	(13,661)	(55,167)
Currency and ownership adjustments <sup>(4)</sup>	(524)	(8)	37	285	(1,151)	58	(1,638)	335
Normalizing adjustment for government grants <sup>(8)</sup>	(5,021)	(16,098)	—	—	(3,109)	—	(8,130)	(16,098)
Normalizing adjustment for management fee reduction <sup>(9)</sup>	—	—	—	—	(2,044)	—	(2,044)	—
Normalizing adjustment for prior period allowance <sup>(10)</sup>	1,670	—	—	—	—	—	1,670	—
Normalizing adjustment for casualty related expenses <sup>(11)</sup>	1,824	1,259	—	—	—	—	1,824	1,259
Other normalizing adjustments <sup>(12)</sup>	(356)	308	—	—	—	13	(356)	321
SHO pro rata SSNOI <sup>(5)</sup>	\$ 103,628	\$ 125,861	\$ 5,283	\$ 4,157	\$ 24,773	\$ 24,212	\$ 133,684	\$ 154,230
SHO SSNOI growth		21.5 %		(21.3)%		(2.3)%		15.4 %
<b>SHO SSNOI/Unit</b>								
Trailing four quarters' SSNOI <sup>(5)</sup>		\$ 445,377		\$ 18,344		\$ 93,844		\$ 557,565
Average units in service <sup>(13)</sup>		37,453		1,203		13,996		52,652
SSNOI/unit in USD		\$ 11,892		\$ 15,249		\$ 6,705		\$ 10,590
SSNOI/unit in local currency <sup>(4)</sup>				£ 11,295		\$ 8,541		

(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 and includes an adjustment to remove NOI related to certain leasehold properties.

(3) Represents SHO revenues/NOI at Welltower pro rata ownership. See page 9 for more information.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2738 and to translate UK properties at a GBP/USD rate of 1.3501.

(5) Represents SS SHO revenues/SSNOI at Welltower pro rata ownership. See page 11 for more information.

(6) Represents average occupied units for SS properties related solely to referenced country on a pro rata basis.

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

(8) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(9) Represents normalizing adjustment related to a management fee reduction for one Seniors Housing Operating partner.

(10) Represents normalizing adjustment related to an allowance of prior period rent related to one Seniors Housing Operating lease.

(11) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.

(12) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

(13) Represents average units in service for SS properties related solely to referenced country on a pro rata basis.

# SENIORS HOUSING OPERATING REVPOR

(dollars in thousands, except REVPOR)

	Three months ended June 30, 2022			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	\$ 859,987	\$ 99,647	\$ 111,576	\$ 1,071,210
Unconsolidated SHO revenues attributable to Welltower <sup>(1)</sup>	28,910	—	22,546	51,456
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(89,739)	(9,339)	(22,626)	(121,704)
Pro rata SHO revenues <sup>(3)</sup>	799,158	90,308	111,496	1,000,962
SHO interest and other income	(2,476)	(16)	2,102	(390)
SHO revenues attributable to sold and held for sale properties	(261)	—	—	(261)
Currency and ownership adjustments <sup>(4)</sup>	—	6,731	211	6,942
SHO local revenues	796,421	97,023	113,809	1,007,253
Average occupied units/month	47,524	3,320	12,461	63,305
REVPOR/month in USD	<u>\$ 5,601</u>	<u>\$ 9,768</u>	<u>\$ 3,053</u>	<u>\$ 5,318</u>
REVPOR/month in local currency <sup>(4)</sup>		<u>£ 7,235</u>	<u>\$ 3,889</u>	

(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 and includes an adjustment to remove NOI related to certain leasehold properties.

(3) Represents SHO revenues at Welltower pro rata ownership. See page 9 for more information.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2738 and to translate UK properties at a GBP/USD rate of 1.3501.



# 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. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to Adjusted EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

# EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Net income (loss)	\$ 45,757	\$ 190,336	\$ 66,194	\$ 65,751	\$ 95,672
Interest expense	122,341	122,522	121,848	121,696	127,750
Income tax expense (benefit)	(2,221)	4,940	2,051	5,013	3,065
Depreciation and amortization	240,885	267,754	284,501	304,088	310,295
<b>EBITDA</b>	<b>406,762</b>	<b>585,552</b>	<b>474,594</b>	<b>496,548</b>	<b>536,782</b>
Loss (income) from unconsolidated entities	7,976	15,832	12,174	2,884	7,058
Stock-based compensation <sup>(1)</sup>	4,757	4,535	2,944	7,445	6,021
Loss (gain) on extinguishment of debt, net	55,612	(5)	(1,090)	(12)	603
Loss (gain) on real estate dispositions, net	(44,668)	(119,954)	(11,673)	(22,934)	3,532
Impairment of assets	23,692	1,490	2,357	—	—
Provision for loan losses, net	6,197	(271)	(39)	(804)	165
Loss (gain) on derivatives and financial instruments, net	(359)	(8,078)	(830)	2,578	(1,407)
Other expenses <sup>(1)</sup>	11,059	3,519	15,483	26,066	35,046
Lease termination and leasehold interest adjustment <sup>(2)</sup>	—	(640)	1,400	(8,457)	(56,397)
Casualty losses, net of recoveries <sup>(3)</sup>	—	998	4,788	13	2,673
Other impairment <sup>(4)</sup>	—	—	—	—	(620)
<b>Total adjustments</b>	<b>64,266</b>	<b>(102,574)</b>	<b>25,514</b>	<b>6,779</b>	<b>(3,326)</b>
<b>Adjusted EBITDA</b>	<b>\$ 471,028</b>	<b>\$ 482,978</b>	<b>\$ 500,108</b>	<b>\$ 503,327</b>	<b>\$ 533,456</b>
<b>Interest Coverage Ratios:</b>					
Interest expense	\$ 122,341	\$ 122,522	\$ 121,848	\$ 121,696	\$ 127,750
Capitalized interest	4,862	4,669	5,325	5,479	6,387
Non-cash interest expense	(3,972)	(5,461)	(5,082)	(4,109)	(6,606)
Total interest	\$ 123,231	\$ 121,730	\$ 122,091	\$ 123,066	\$ 127,531
EBITDA	\$ 406,762	\$ 585,552	\$ 474,594	\$ 496,548	\$ 536,782
Interest coverage ratio	3.30 x	4.81 x	3.89 x	4.03 x	4.21 x
Adjusted EBITDA	\$ 471,028	\$ 482,978	\$ 500,108	\$ 503,327	\$ 533,456
Adjusted interest coverage ratio	3.82 x	3.97 x	4.10 x	4.09 x	4.18 x
<b>Fixed Charge Coverage Ratios:</b>					
Total interest	\$ 123,231	\$ 121,730	\$ 122,091	\$ 123,066	\$ 127,531
Secured debt principal amortization	15,715	17,040	16,877	15,968	14,382
Total fixed charges	\$ 138,946	\$ 138,770	\$ 138,968	\$ 139,034	\$ 141,913
EBITDA	\$ 406,762	\$ 585,552	\$ 474,594	\$ 496,548	\$ 536,782
Fixed charge coverage ratio	2.93 x	4.22 x	3.42 x	3.57 x	3.78 x
Adjusted EBITDA	\$ 471,028	\$ 482,978	\$ 500,108	\$ 503,327	\$ 533,456
Adjusted fixed charge coverage ratio	3.39 x	3.48 x	3.60 x	3.62 x	3.76 x
<b>Net Debt Ratios:</b>					
Total debt <sup>(5)</sup>	\$ 13,572,816	\$ 13,779,652	\$ 14,242,637	\$ 14,652,497	\$ 15,144,432
Less: cash and cash equivalents and restricted cash	(2,021,043)	(2,558,822)	(808,705)	(362,645)	(442,251)
Net debt	\$ 11,551,773	\$ 11,220,830	\$ 13,433,932	\$ 14,289,852	\$ 14,702,181
EBITDA Annualized	\$ 1,627,048	\$ 2,342,208	\$ 1,898,376	\$ 1,986,192	\$ 2,147,128
Net debt to EBITDA ratio	7.10 x	4.79 x	7.08 x	7.19 x	6.85 x
Adjusted EBITDA Annualized	\$ 1,884,112	\$ 1,931,912	\$ 2,000,432	\$ 2,013,308	\$ 2,133,824
Net debt to Adjusted EBITDA ratio	6.13 x	5.81 x	6.72 x	7.10 x	6.89 x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

(2) Effective April 1, 2022, our leasehold interest relating to the master lease with National Health Investors ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. We recognized a gain of \$58,621,000 related to the termination of this lease in other income. The net impact of these leasehold properties inclusive of the gain has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Primarily related to the release of previously reserved straight-line receivables.

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



# EBITDA AND ADJUSTED EBITDA YEAR-TO-DATE RECONCILIATIONS

(dollars in thousands)

	Six Months Ended	
	June 30, 2021	June 30, 2022
Net income	\$ 117,949	\$ 161,423
Interest expense	245,483	249,446
Income tax expense (benefit)	1,722	8,078
Depreciation and amortization	485,311	614,383
EBITDA	850,465	1,033,330
Loss (income) from unconsolidated entities	(5,073)	9,942
Stock-based compensation <sup>(1)</sup>	10,333	13,466
Loss (gain) on extinguishment of debt, net	50,969	591
Loss (gain) on real estate dispositions, net	(103,748)	(19,402)
Impairment of assets	47,260	—
Provision of loan losses, net	7,580	(639)
Loss (gain) on derivatives and financial instruments, net	1,575	1,171
Other expenses <sup>(1)</sup>	21,858	61,112
Lease termination and leasehold interest adjustment <sup>(2)</sup>	—	(64,854)
Casualty losses, net of recoveries <sup>(3)</sup>	—	2,686
Other impairment <sup>(4)</sup>	49,241	(620)
Total adjustments	79,995	3,453
Adjusted EBITDA	\$ 930,460	\$ 1,036,783
Interest Coverage Ratios:		
Interest expense	\$ 245,483	\$ 249,446
Capitalized interest	9,358	11,866
Non-cash interest expense	(6,963)	(10,715)
Total interest	247,878	250,597
EBITDA	\$ 850,465	\$ 1,033,330
Interest coverage ratio	3.43 x	4.12 x
Adjusted EBITDA	\$ 930,460	\$ 1,036,783
Adjusted interest coverage ratio	3.75 x	4.14 x
Fixed Charge Coverage Ratios:		
Total interest	\$ 247,878	\$ 250,597
Secured debt principal amortization	31,670	30,350
Total fixed charges	279,548	280,947
EBITDA	\$ 850,465	\$ 1,033,330
Fixed charge coverage ratio	3.04 x	3.68 x
Adjusted EBITDA	\$ 930,460	\$ 1,036,783
Adjusted fixed charge coverage ratio	3.33 x	3.69 x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

(2) Effective April 1, 2022, our leasehold interest relating to the master lease with National Health Investors ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. We recognized a gain of \$58,621,000 related to the termination of this lease in other income. The net impact of these leasehold properties inclusive of the gain has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Represents changes in the reserve for straight-line rent receivable balances relating to leases placed on cash recognition.

# EBITDA AND ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Net income	\$ 668,205	\$ 463,563	\$ 374,479	\$ 368,038	\$ 417,953
Interest expense	491,507	489,178	489,853	488,407	493,816
Income tax expense (benefit)	4,015	6,952	8,713	9,783	15,069
Depreciation and amortization	983,576	995,798	1,037,566	1,097,228	1,166,638
EBITDA	2,147,303	1,955,491	1,910,611	1,963,456	2,093,476
Loss (income) from unconsolidated entities	650	10,501	22,933	38,866	37,948
Stock-based compensation <sup>(1)</sup>	24,278	22,248	17,812	19,681	20,945
Loss (gain) on extinguishment of debt, net	97,769	64,760	49,874	54,505	(504)
Loss (gain) on real estate dispositions, net	(773,516)	(409,166)	(235,375)	(199,229)	(151,029)
Impairment of assets	79,890	58,067	51,107	27,539	3,847
Provision of loan losses, net	93,522	90,394	7,270	5,083	(949)
Loss (gain) on derivatives and financial instruments, net	3,539	(5,934)	(7,333)	(6,689)	(7,737)
Other expenses <sup>(1)</sup>	60,985	52,960	40,860	56,127	80,114
Lease termination and leasehold interest adjustment <sup>(2)</sup>	—	(640)	760	(7,697)	(64,094)
Casualty losses, net of recoveries <sup>(3)</sup>	—	998	5,786	5,799	8,472
Other impairment <sup>(4)</sup>	161,639	49,241	49,241	—	(620)
Total adjustments	(251,244)	(66,571)	2,935	(6,015)	(73,607)
Adjusted EBITDA	\$ 1,896,059	\$ 1,888,920	\$ 1,913,546	\$ 1,957,441	\$ 2,019,869
Interest Coverage Ratios:					
Interest expense	\$ 491,507	\$ 489,178	\$ 489,853	\$ 488,407	\$ 493,816
Capitalized interest	17,543	18,265	19,352	20,335	21,860
Non-cash interest expense	(12,675)	(14,163)	(17,506)	(18,624)	(21,258)
Total interest	496,375	493,280	491,699	490,118	494,418
EBITDA	\$ 2,147,303	\$ 1,955,491	\$ 1,910,611	\$ 1,963,456	\$ 2,093,476
Interest coverage ratio	4.33 x	3.96 x	3.89 x	4.01 x	4.23 x
Adjusted EBITDA	\$ 1,896,059	\$ 1,888,920	\$ 1,913,546	\$ 1,957,441	\$ 2,019,869
Adjusted interest coverage ratio	3.82 x	3.83 x	3.89 x	3.99 x	4.09 x
Fixed Charge Coverage Ratios:					
Total interest	\$ 496,375	\$ 493,280	\$ 491,699	\$ 490,118	\$ 494,418
Secured debt principal amortization	63,668	64,832	65,587	65,600	64,267
Total fixed charges	560,043	558,112	557,286	555,718	558,685
EBITDA	\$ 2,147,303	\$ 1,955,491	\$ 1,910,611	\$ 1,963,456	\$ 2,093,476
Fixed charge coverage ratio	3.83 x	3.50 x	3.43 x	3.53 x	3.75 x
Adjusted EBITDA	\$ 1,896,059	\$ 1,888,920	\$ 1,913,546	\$ 1,957,441	\$ 2,019,869
Adjusted fixed charge coverage ratio	3.39 x	3.38 x	3.43 x	3.52 x	3.62 x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

(2) Effective April 1, 2022, our leasehold interest relating to the master lease with National Health Investors ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. We recognized a gain of \$58,621,000 related to the termination of this lease in other income. The net impact of these leasehold properties inclusive of the gain has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Represents changes in the reserve for straight-line rent receivable balances relating to leases placed on cash recognition.

# CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)

	As of				
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
<b>Book capitalization:</b>					
Unsecured credit facility and commercial paper	\$ —	\$ 290,996	\$ 324,935	\$ 299,968	\$ 354,000
Long-term debt obligations <sup>(1)</sup>	13,572,816	13,488,656	13,917,702	14,352,529	14,790,432
Cash & cash equivalents and restricted cash	(808,705)	(362,645)	(346,755)	(367,043)	(442,251)
Total net debt	12,764,111	13,417,007	13,895,882	14,285,454	14,702,181
Total equity and noncontrolling interest <sup>(2)</sup>	17,243,208	18,172,111	18,997,873	19,178,026	19,873,913
Book capitalization	\$ 30,007,319	\$ 31,589,118	\$ 32,893,755	\$ 33,463,480	\$ 34,576,094
Net debt to book capitalization ratio	42.5 %	42.5 %	42.2 %	42.7 %	42.5 %
<b>Undepreciated book capitalization:</b>					
Total net debt	\$ 12,764,111	\$ 13,417,007	\$ 13,895,882	\$ 14,285,454	\$ 14,702,181
Accumulated depreciation and amortization	6,415,676	6,634,061	6,910,114	7,215,622	7,437,779
Total equity and noncontrolling interest <sup>(2)</sup>	17,243,208	18,172,111	18,997,873	19,178,026	19,873,913
Undepreciated book capitalization	\$ 36,422,995	\$ 38,223,179	\$ 39,803,869	\$ 40,679,102	\$ 42,013,873
Net debt to undepreciated book capitalization ratio	35.0 %	35.1 %	34.9 %	35.1 %	35.0 %
<b>Market capitalization:</b>					
Common shares outstanding	422,562	435,274	447,239	453,948	463,369
Period end share price	\$ 83.10	\$ 82.40	\$ 85.77	\$ 96.14	\$ 82.35
Common equity market capitalization	\$ 35,114,902	\$ 35,866,578	\$ 38,359,689	\$ 43,642,561	\$ 38,158,437
Total net debt	12,764,111	13,417,007	13,895,882	14,285,454	14,702,181
Noncontrolling interests <sup>(2)</sup>	1,322,762	1,308,908	1,361,872	1,282,450	1,317,733
Enterprise value	\$ 49,201,775	\$ 50,592,493	\$ 53,617,443	\$ 59,210,465	\$ 54,178,351
Net debt to market capitalization ratio	25.9 %	26.5 %	25.9 %	24.1 %	27.1 %

(1) Amounts include senior unsecured notes, secured debt and lease liabilities related to financing leases, as reflected on our balance sheets. Operating lease liabilities related to the ASC 842 adoption are excluded.

(2) Includes all noncontrolling interests (redeemable and permanent) as reflected on our balance sheets.