

National Health Investors

Investor Update
August 6, 2025



CountryHouse in Elkhorn operated by Agemark Senior Living

Disclaimers

This presentation, as well as information included in oral statements made, or to be made, by our senior management contain forward-looking statements that are based on current expectations, estimates, beliefs and assumptions. Words such as “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. While we may elect to update these forward-looking statements at some point in the future, we disclaim any obligation to do so, except as may be required by law, even if our estimates or assumptions change. In light of these and other uncertainties, the inclusion of a forward-looking statement in this presentation should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements. Factors which could cause our actual results to be materially different from those in or implied by the forward looking statements we make, many of which are beyond our control, include, among other things, the operating success of our managers, tenants and borrowers for collection of our lease and interest income; the success of property development and construction activities; risks associated with pandemics, epidemics or outbreak; the risk that the cash flows of our tenants, managers and borrowers may be adversely affected by increased liability claims and liability insurance costs; risks related to environmental laws and the costs associated with liabilities related to hazardous substances; the risk of damage from catastrophic weather and other natural or man-made disasters and the physical effects of climate change; our ability to reinvest cash in real estate investments in a timely manner and on acceptable terms; the risk that the illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties; operational risks with respect to our senior housing operating portfolio structured communities; risks related to our ability to maintain the privacy and security of Company information; our ability to continue to qualify for taxation as a real estate investment trust; and other risks which are described under the heading “Risk Factors” in Item 1A in our Form 10-K for the year ended December 31, 2024 and under the heading “Risk Factors” in Item 1A in our Form 10-Q for the quarter ended June 30, 2025.

In this presentation we refer to non-GAAP financial measures. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. Reconciliations to certain non-GAAP measures can be found at the end of this presentation, in the Company’s quarterly supplementals which can be found on our website at www.nhireit.com, and in our quarterly Form 10-Q filings and annual Form 10-K filing. Throughout this presentation, certain abbreviations and acronyms are used to simplify the format. A list of definitions is provided at the end of this presentation to clarify the meaning of any reference that may be ambiguous.



Overview of Second Quarter 2025

Summary of Quarterly Financial Results ¹

(in thousands except per share and percentages)	Q2 2024	Q1 2025	Q2 2025
Net Income per diluted share	\$0.81	\$0.74	\$0.79
NAREIT FFO per diluted share	\$1.18	\$1.14	\$1.19
Normalized FFO per share	\$1.18	\$1.15	\$1.22
Funds Available for Distribution (FAD)	\$51,779	\$56,001	\$55,957
Diluted shares outstanding	43,563	45,879	46,822
FAD Payout Ratio	75.5%	74.9%	76.3%
SHOP NOI	\$2,953	\$3,086	\$3,821
SHOP NOI Margin	22.1%	22.1%	26.9%



¹ Refer to Appendix for definitions and relevant non-GAAP reconciliations

Key Operating and Balance Sheet Highlights

Real Estate Investments

- Lease revenue excluding straight-line, lease amortization, and escrow reimbursement revenue of \$67.0 million in Q2 2025 increased 7.3% compared to Q2 2024 and increased 2.7% compared to Q1 2025. The prior year period included a \$2.5 million deferral repayment from a cash-basis of accounting tenant;
- Deferral repayments of \$1.9 million in Q2 2025 compared to \$4.7 million (inclusive of the previously noted \$2.5 million repayment) in Q2 2024 and \$2.0 million in Q1 2025. The Q2 2025 deferral repayments included approximately \$1.3 million in unscheduled repayments; and
- Interest income and other revenue of \$6.1 million in Q2 2025 compared to \$5.7 million in the prior year period and \$6.5 million in Q1 2025. The sequential decline from Q1 2025 was primarily driven by mortgage loan paydowns of approximately \$24 million.

Senior Housing Operating Portfolio (SHOP) ¹

- Q2 2025 NOI of \$3.8 million increased 29.4% compared to the prior year period and 23.8% sequentially;
- Q2 2025 SHOP NOI margin of 26.9% increased 480 bps compared to the prior year period and sequentially. NOI benefitted by approximately \$0.2 million in non-recurring items during Q2 2025;
- Average Q2 2025 occupancy of 89.1% increased 210 bps year-over-year and declined 10 bps sequentially;
- Revenue per Occupied Room ("RevPOR") of \$3,071 in Q2 2025 was up 3.7% year-over-year and 2.1% sequentially; and
- NHI estimates same-store SHOP NOI growth of 13% - 16% in 2025.

Balance Sheet ¹

- Net Debt to Adjusted EBITDA at an annualized 3.9x is below the low end of NHI's target range of 4.0x – 5.0x;
- During the quarter, NHI settled approximately 0.8 million shares for proceeds of \$58.0 million and sold approximately 1.3 million shares on a forward basis for net proceeds of approximately \$93.2 million;
- The Company had approximately 1.4 million shares available to settle under ATM forward sales agreements for proceeds of approximately \$102.3 million at June 30, 2025;
- Total liquidity of approximately \$758.7 million at June 30, 2025; and
- During the quarter, NHI retired all of its secured debt for \$75.7 million including accrued interest.

Portfolio Activity

- Effective August 1, 2025, NHI transitioned 6 properties to SHOP with a new operator and added one property to an existing SHOP JV with Discovery Senior Living ("Discovery") which cumulatively adds approximately \$8.75 million in annualized SHOP NOI;
- Announced 2025 YTD investments totaling \$174.9 million at an average initial yield of approximately 8.2%;
- NHI has signed LOIs totaling \$129.9 million at an average initial yield of 8.0% including approximately \$74 million in SHOP;
- NHI is currently evaluating a pipeline of investment opportunities valued at approximately \$343.0 million including SHOP properties (excluding portfolio investments).

Updated 2025 Guidance

2025 Guidance Midpoints ¹

<i>(in millions except per share amounts)</i>	<i>As of May-25 Midpoint</i>	<i>As of Aug-25 Midpoint</i>
Net income attributable to common stockholders	\$ 144.9	\$ 134.0
<i>Adjustments to NAREIT Funds From Operations (FFO)</i>		
Depreciation (net) ²	75.7	76.9
Gains on sales (net) and impairments of real estate	<u>(1.1)</u>	<u>(0.2)</u>
NAREIT FFO	\$ 219.5	\$ 210.7
<i>Adjustments to Normalized Funds From Operations (NFFO)</i>		
Non-cash write-offs of straight-line receivable	-	12.2
<u>Other ³</u>	<u>1.8</u>	<u>2.8</u>
NFFO	\$ 221.3	\$ 225.6
<i>Adjustments to Funds Available for Distribution (FAD)</i>		
Straight-line revenue and lease incentive amortizations (net) ²	(3.0)	(2.7)
Equity method investment adjustments	(2.7)	(3.5)
Equity method investment non-refundable fees received	1.8	2.0
Non-cash stock-based compensation	5.5	5.6
SHOP ² and equity method investment recurring capital expenditures	(2.0)	(2.4)
Transaction costs	1.2	1.2
<u>Other ⁴</u>	<u>2.9</u>	<u>3.1</u>
FAD	\$ 225.1	\$ 228.9
Weighted average diluted common shares	47.0	47.0
NAREIT FFO per diluted common share	\$ 4.67	\$ 4.48
NFFO per diluted common share	\$ 4.71	\$ 4.80

¹ Refer to Appendix for definitions and relevant non-GAAP reconciliations

² Net of amounts attributable to non-controlling interests

³ Includes estimated proxy contest expenses of \$1.6 million and loss on operations transfer

⁴ Includes credit loss reserve, non-real estate depreciation (net) and amortizations associated with debt facilities

2025 Guidance Assumptions & Considerations

NHI's 2025 annual guidance includes the following assumptions:

- \$105 million in unidentified new investments at an initial average yield of 8.1%;
- Continued rent concessions, asset dispositions and loan repayments;
- Continued fulfillment of existing commitments;
- \$0.8 million in lower expected cash rental revenue from Discovery net of deferred rent recoveries;
- Same store SHOP NOI annual growth in a range of 13% - 16%;
- SHOP conversion NOI in a range of \$3.6 million - \$3.7 million;
- Additional SHOP conversion routine capex of \$0.5 million; and
- Continued collection of deferred rents.

In addition to the assumptions listed above, NHI's guidance range is based on several other assumptions, many of which are outside the Company's control and all of which are subject to change. The guidance range may change if actual results vary from these assumptions.



Investment Overview



Significant Potential Organic Growth in SHOP Platform

- Significant upside opportunity with potential SHOP performance improvement
- Margin expansion potential driven by stabilized occupancy and rate growth
- Expect 2025 same store SHOP NOI growth of 13% - 16%



Active Management Creates Multiple Avenues for Organic Growth

- Recent SHOP conversions have excellent growth profile
- Capex program supports organic growth and adds value to owned real estate
- Strong operator performance drives improved coverage and continued deferral repayments



Financial Strength Positions NHI for External Growth

- Leverage below 4.0x – 5.0x net debt to adjusted EBITDA range
- Significant investment capacity on revolver and ATM
- Closed \$412.4 million in 2024/2025 YTD investments, \$129.9 million in signed LOIs, and a \$343.0 million pipeline



Strong Industry Dynamics Support Long Term Growth ¹

- Supply of senior housing inventory is growing at less than 1.0% and slowing as new starts are more than 60% below historical average
- Demand is surging as 85+ population growth expected to accelerate over the next 15 years





Senior Housing Operating Portfolio (SHOP) Opportunity

(dollars in thousands except RevPOR)



Significant Organic NOI Upside in Same Store SHOP Portfolio

- **SHOP Upside:** NHI continues to view the current SHOP portfolio as a source of significant organic growth as the NOI margin improves toward more historic levels achieved. With occupancy nearing stabilization, NHI has been targeting RevPOR growth in recent quarters. The early results are encouraging as Q2 2025 RevPOR was the highest recorded since the 15-property portfolio transitioned to SHOP in April 2022. **The Company increased its same store NOI growth to a range of 13% - 16% in 2025 with significant upside for multiple years.**
 - **Occupancy:** Q2 2025 occupancy improved 210-bps year-over-year 89.1%;
 - **RevPOR:** Q2 2025 RevPOR¹ increased by 370-bps year-over-year to \$3,071; and
 - **NOI:** Q2 2025 SHOP NOI² increased 29.4% year-over-year to approximately \$3.8 million. The SHOP NOI margin⁴ increased by 480-bps year-over-year to 26.9%.

	2021 ⁵	2022 ⁵	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025
Properties	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Units	1,730	1,731	1,734	1,734	1,734	1,733	1,734	1,732	1,732	1,732	1,732	1,732	1,732	1,732
Occupancy	78.9 %	76.7 %	75.2 %	75.5 %	79.0 %	83.2 %	78.2 %	85.3 %	87.0 %	88.6 %	89.4 %	87.6 %	89.2 %	89.1 %
RevPOR	\$ 3,020	\$ 3,008	\$ 2,989	\$ 3,004	\$ 3,010	\$ 2,995	\$ 2,999	\$ 2,988	\$ 2,962	\$ 2,989	\$ 3,014	\$ 2,990	\$ 3,008	\$ 3,071
Resident Fees	\$ 49,469	\$ 47,940	\$ 11,700	\$ 11,793	\$ 12,367	\$ 12,950	\$ 48,809	\$ 13,256	\$ 13,390	\$ 13,771	\$ 14,004	\$ 54,421	\$13,939	\$14,217
Operating Expenses ³	(28,898)	(34,010)	(9,215)	(9,094)	(9,428)	(9,417)	(37,154)	(9,668)	(9,773)	(10,065)	(10,059)	(39,564)	(10,162)	(9,687)
Management Fees ³	(2,473)	(2,396)	(584)	(588)	(616)	(645)	(2,433)	(646)	(664)	(679)	(697)	(2,685)	(691)	(709)
SHOP NOI ²		\$ 11,535	\$ 1,901	\$ 2,111	\$ 2,322	\$ 2,888	\$ 9,222	\$ 2,942	\$ 2,953	\$ 3,027	\$ 3,248	\$ 12,170	\$ 3,086	\$ 3,821
SHOP NOI Margin ⁴	36.6 %	24.1 %	16.2%	17.9%	18.8%	22.3%	18.9 %	22.2%	22.1%	22.0%	23.2%	22.4%	22.1%	26.9%

Significant incremental SHOP NOI margin opportunity



1 RevPOR calculated by dividing resident fees by (units multiplied by occupancy %).

2 Refer to Appendix for definitions and relevant non-GAAP reconciliations.

3 The sum of operating expenses and management fees reflect the total reported senior housing operating expenses. Management fees reflect 5.0% of resident fees as disclosed in the Company's senior housing operating portfolio structure.

4 SHOP NOI margin calculated by dividing each respective quarter SHOP NOI by each quarter resident revenue.

5 Shaded area reflects periods of operations under different managers prior to the April 1, 2022, SHOP formation and are provided for illustrative purposes. Refer to Appendix for definitions and relevant non-GAAP reconciliations.



Senior Housing Operating Portfolio (SHOP) Opportunity



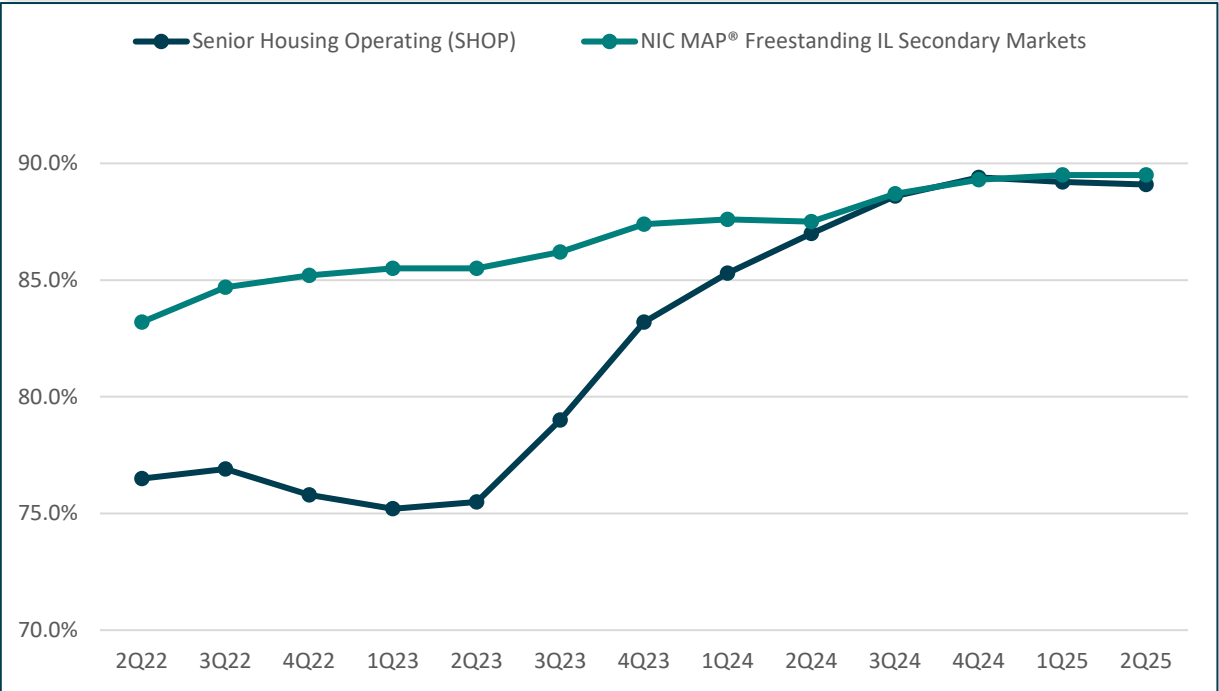
Focus on occupancy growth has SHOP performance in-line with the industry:

- SHOP occupancy dropped following the portfolio’s initial transition on April 1, 2025, following several years of under-investment and three manager changes within a 12-month period
- SHOP occupancy reached a low of 75.2% in Q1 2023 and has been rapidly improving since that time as the Company prioritized occupancy growth
- In Q2 2025, SHOP recorded occupancy of 89.1% which represented a 210-bps year-over-year improvement and only slightly below freestanding IL industry occupancy of 89.5%

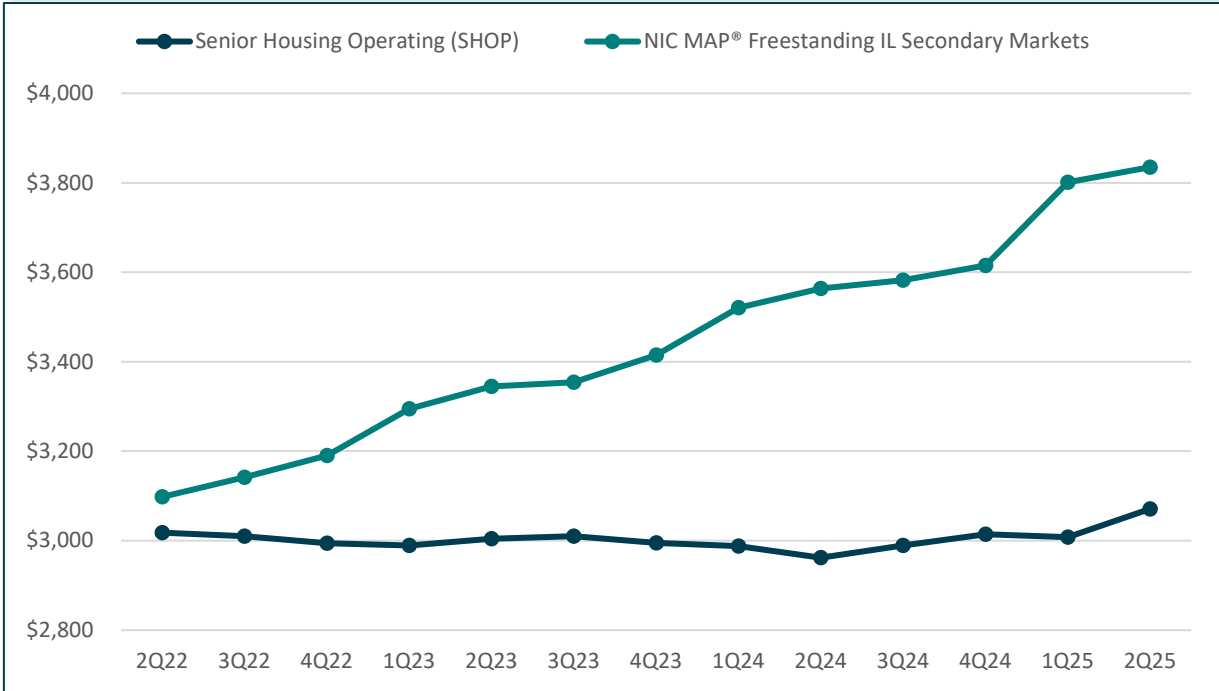
Strategic priority now includes greater focus on pricing to drive revenue growth:

- As SHOP occupancy has gained near parity with industry occupancy, the Company’s focus has prioritized RevPOR to drive revenue growth
- Since Q2 2022, the average rent in the industry has grown at a CAGR of 7.4% to \$3,835 per month which compares to the NHI SHOP RevPOR growth of 0.6% and \$3,071 per month
- SHOP is registering early gains in the RevPOR as the Q2 2025 result increased 3.7% compared to the year earlier period and 2.1% compared to Q2 2025
- Given the disparity in SHOP RevPOR compared to industry average rent, we believe there is considerable room for rent growth over several years

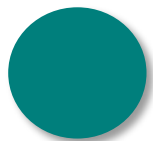
SHOP-15 v. NIC MAP Occupancy:
Q2 2022 – Q2 2025



SHOP-15 v. NIC MAP Average Rent:
Q2 2022 – Q2 2025



Source: National Investment Center for Senior Housing & Care (“NIC”); data is from NICMAP Freestanding Independent Living Secondary markets



Multiple Avenues for Organic Growth

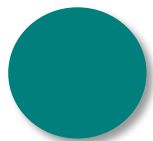
(dollars in thousands)



SHOP Conversions, Internal Investment, and Rent Resets Create Incremental Organic Growth Opportunities

- **SHOP Conversions**
 - Effective August 1, 2025, NHI transitioned six properties formerly leased to Discovery to a SHOP portfolio managed by Sinceri Senior Living (“Sinceri”)
 - Effective August 1, 2025, NHI expanded its SHOP joint venture with Discovery by adding one property in Tulsa, OK that was previously leased to Discovery
 - SHOP conversions are expected to add \$3.6 million - \$3.7 million to 2025 SHOP NOI, or \$8.6 million - \$8.9 million on an annualized basis
 - ***SHOP conversions expected to have a strong double-digit growth profile in 2026***
- **Rent Resets and Continued Deferral Repayments**
 - Board’s Special Committee is actively engaged with management on the NHC master lease, which matures on December 31, 2026, to create shareholder value
 - Pandemic related deferral repayments continue to exceed expectations and provide opportunity for future shareholder value creation
 - NHI collected \$11.2 million in deferral repayments during 2024 and approximately \$4.0 million in YTD in 2025
 - Bickford repaid \$1.2 million in Q2 2025 and still has an outstanding balance of approximately \$10.4 million at June 30, 2025; Bickford’s strong lease coverage (see slide 9) is a benefit as April 2026 rent reset approaches
 - NHI expects to collect Discovery’s outstanding deferral balance as part of the lease termination on six properties transitioned to Sinceri on August 1, 2025
- **Internal Investments**
 - Board of Directors approved \$25.0 million during the first quarter of 2024 for additional investment in existing leased properties; Investments are expected to be funded within two years of project approval
 - Qualifying projects designed to assist current tenants with improving property level NOI
 - Investments earn a return of no less than 8.0% and are recognized through additional rental income
 - At June 30, 2025, \$19.6 million has been committed and \$7.5 million has been funded



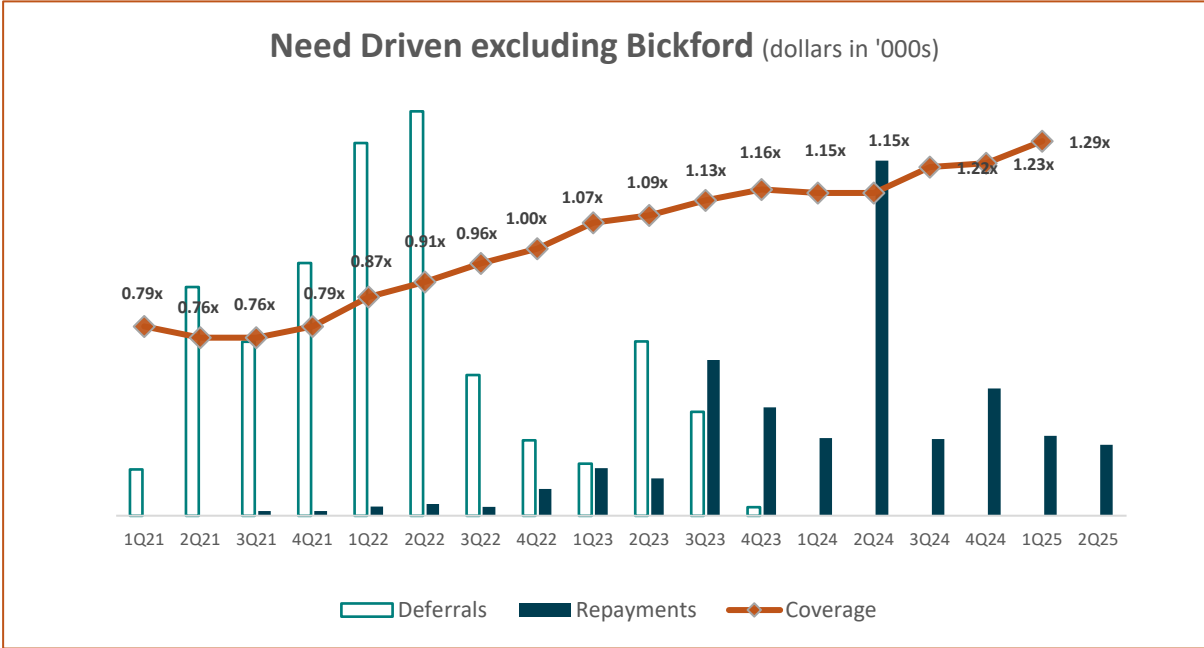


Senior Housing - Need Driven Fundamentals Stabilizing

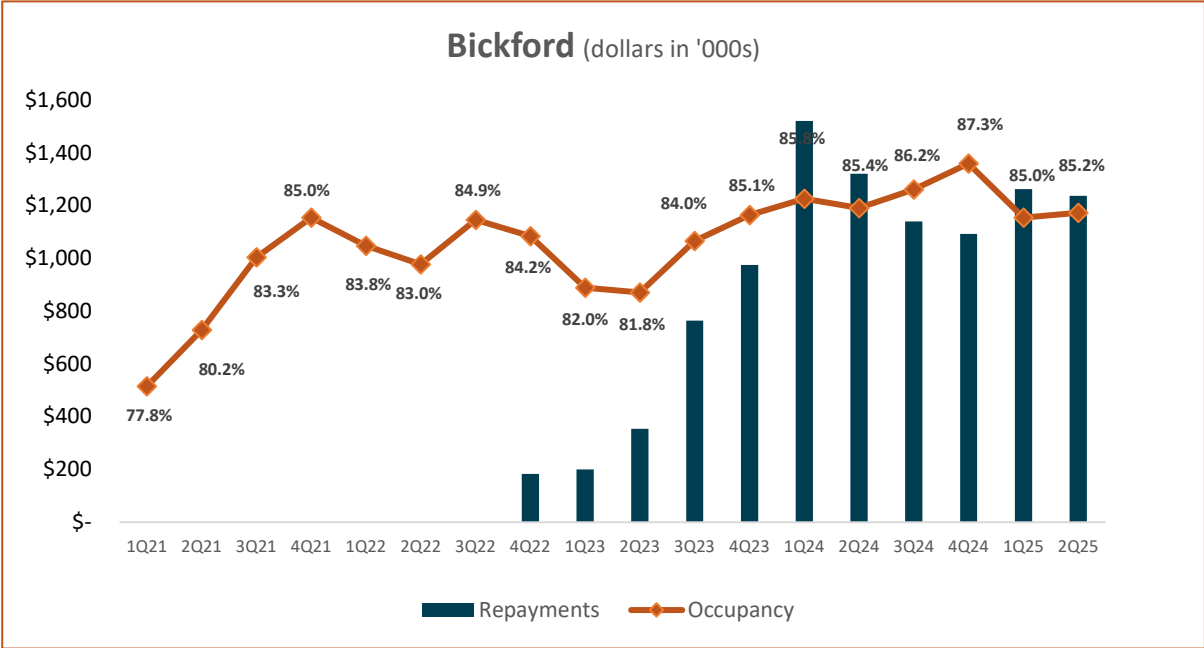


Senior Housing – Need Driven Main Optimization Focus

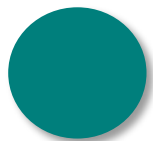
- The Senior Housing – Need Driven leased portfolio represents approximately 33% of annualized adjusted NOI including approximately 12% from the Bickford leased portfolio and 20% from other Need Driven operators. EBITDARM coverage for this group continues to have the lowest coverage though is much improved through optimization efforts. Coverage excluding Bickford was 1.29x in the most recent period measured compared to a low of 0.76x in 2021 when the portfolio optimization began.
- **Dispositions:** Since 2021 through the end of 2024, NHI disposed of 48 underperforming senior housing properties. At June 30, 2025, NHI had no properties held for sale.
- **Stabilizing fundamentals:** As displayed in the charts below, Need Driven operators have substantially improved operating fundamentals resulting in improved occupancy, greater coverage, fewer deferrals and higher repayments. Excluding Bickford, approximately \$11.6 million from eight operators has been repaid to date.
- **Bickford:** Occupancy moved 20 bps higher sequentially to 85.2% in Q2 2025; Bickford’s pro forma EBITDARM coverage was a healthy 1.66x through March 31, 2025. Including the impact of approximately \$4.8 million in deferral repayments over the trailing twelve months ended March 31, 2025, Bickford’s coverage was still healthy at 1.46x.



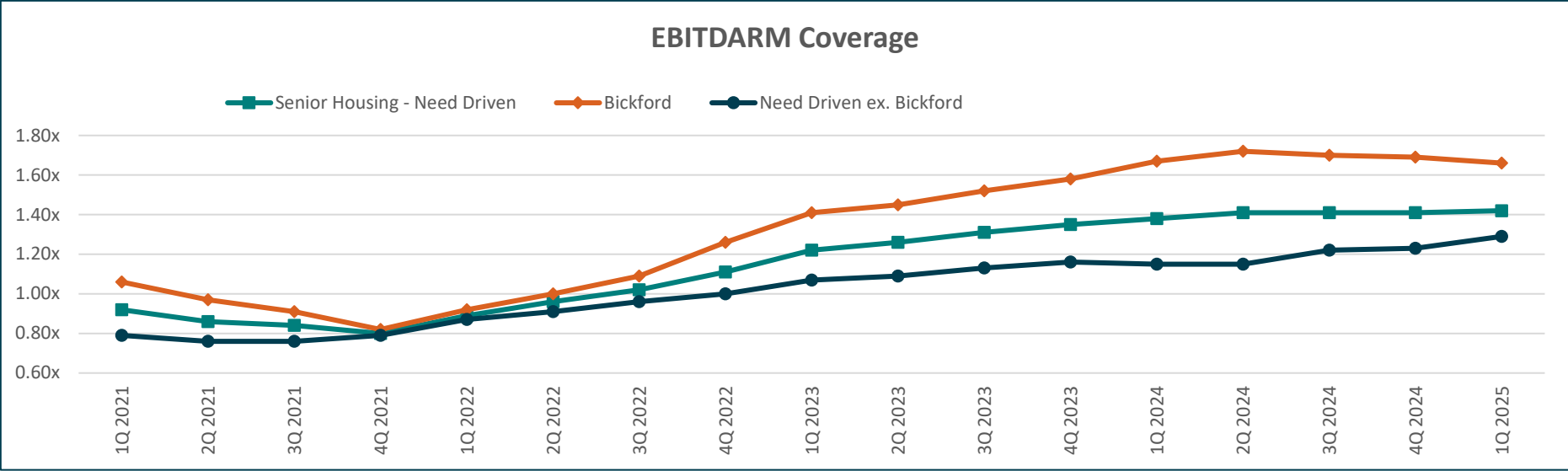
Coverage represents EBITDARM coverage for the TTM period ending in the period specified. Deferrals exclude any incentives granted operators.



Occupancy represents average quarterly occupancy for the period specified.

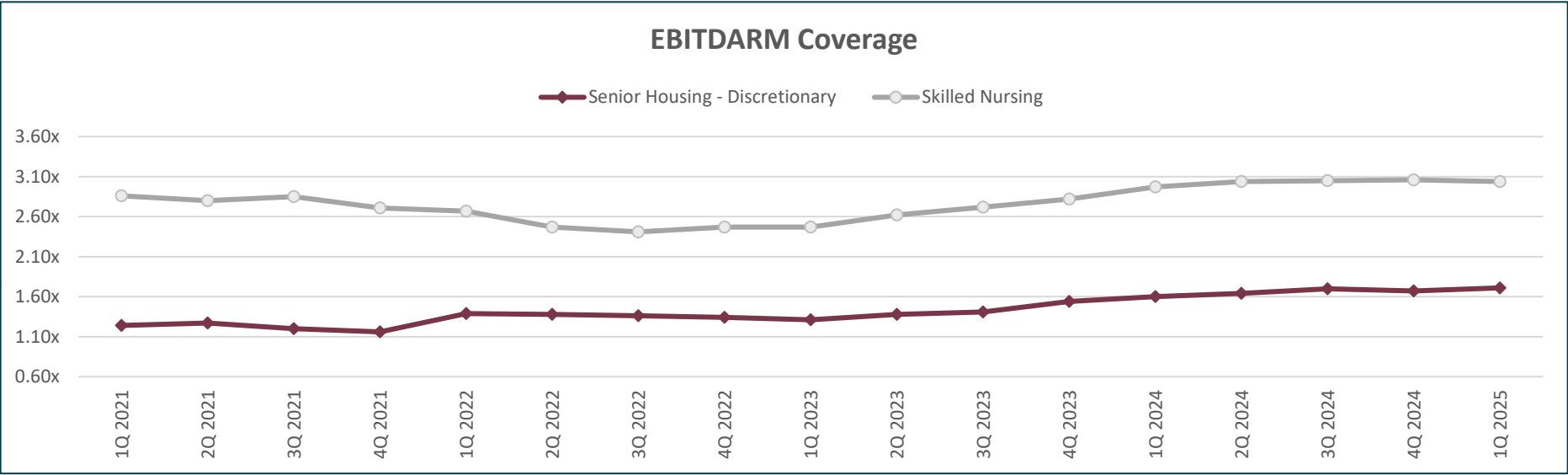


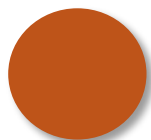
Asset Diversification Creates Stronger Portfolio



The Senior Housing – Need Driven portfolio has experienced significant coverage improvement since the start of the portfolio optimization in 2021.

The SNF and Discretionary (largely CCRC) portfolios which generate ~58% of adjusted NOI have proved resilient throughout.





Recent Developments and Pipeline

(dollars in millions)



Date	Tenant / Borrower	Investment Type	Yield ¹	Investment
2Q 2025	Encore Senior Living	Construction loan	9.00%	\$ 28.0
2Q 2025	Agemark Senior Living	Lease	8.00%	63.5
1Q 2025	Senior Living Hospitality	Loan	9.00%	1.9
1Q 2025	Mainstay ²	Lease	8.00%	8.6
1Q 2025	Vizion	Loan	9.15%	5.4
1Q 2025	Juniper Communities	Lease	7.95%	46.3
1Q 2025	Generations	Lease	8.00%	21.2
	YTD 2025		8.20%	\$ 174.9
4Q 2024	William James Group	Lease	8.50%	\$ 6.9
4Q 2024	CFG	Corporate loan	10.00%	25.0
4Q 2024	Spring Arbor Senior Living	Lease	8.23%	121.3
3Q 2024	Sanders Clearsky	Construction loan	9.00%	27.7
2Q 2024	Encore Senior Living ³	Lease	8.25%	32.1
2Q 2024	Compass Senior Living	Mortgage loan	8.50%	9.5
1Q 2024	Carriage Crossing	Mortgage loan	8.75%	15.0
	Total 2024		8.56%	\$ 237.5
Total			8.40%	\$ 412.4



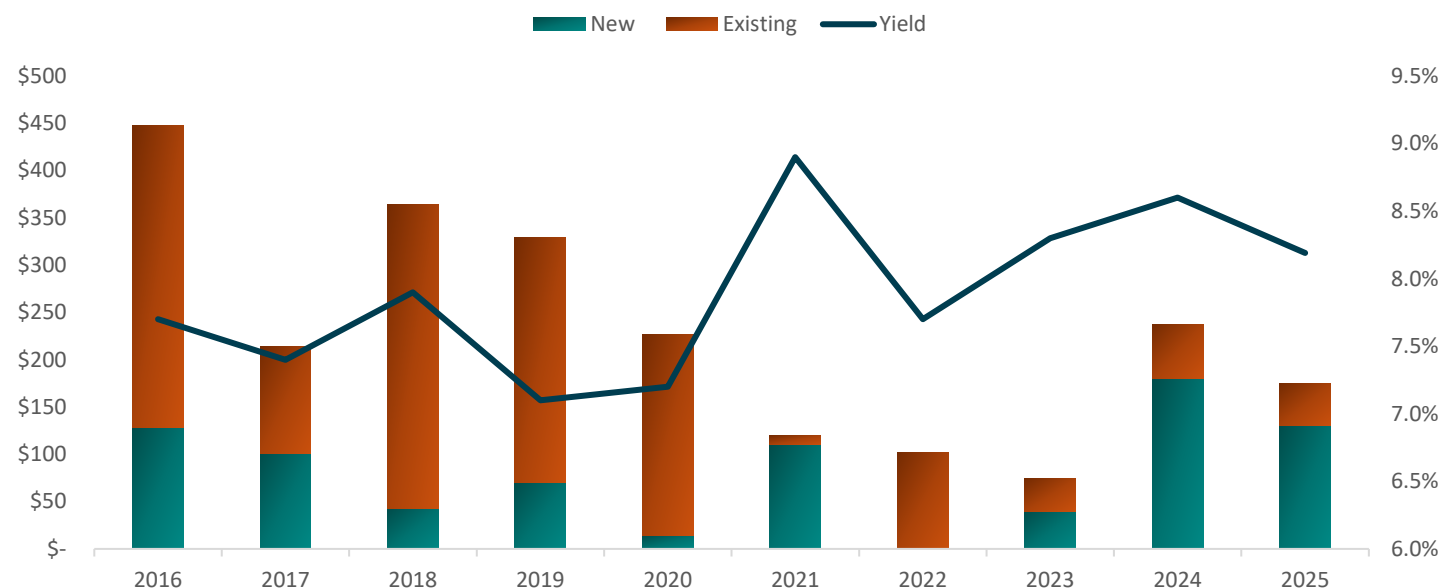
Significant Pipeline Creates Pathway for External Growth Opportunities

2025 Investments: Closed \$174.9 million at an average initial yield of 8.2%

Signed LOIs: \$129.9 million at an average yield of 8.0% including \$74 million in SHOP

Pipeline: Approximately \$343.0 million including SHOP (excluding portfolio deals)

Investment History with New & Existing Relationships



1 Represents contractual rent or interest / purchase price.

2 Property acquired in a deed in lieu of foreclosure transaction to satisfy the repayment of a \$10.0 million mortgage note receivable.

3 Investment funded partially with the satisfaction of a construction loan and mortgage which contained purchase options for NHI.



Financial Strength Positions NHI for Potential Accretive External Growth

(dollars in millions)



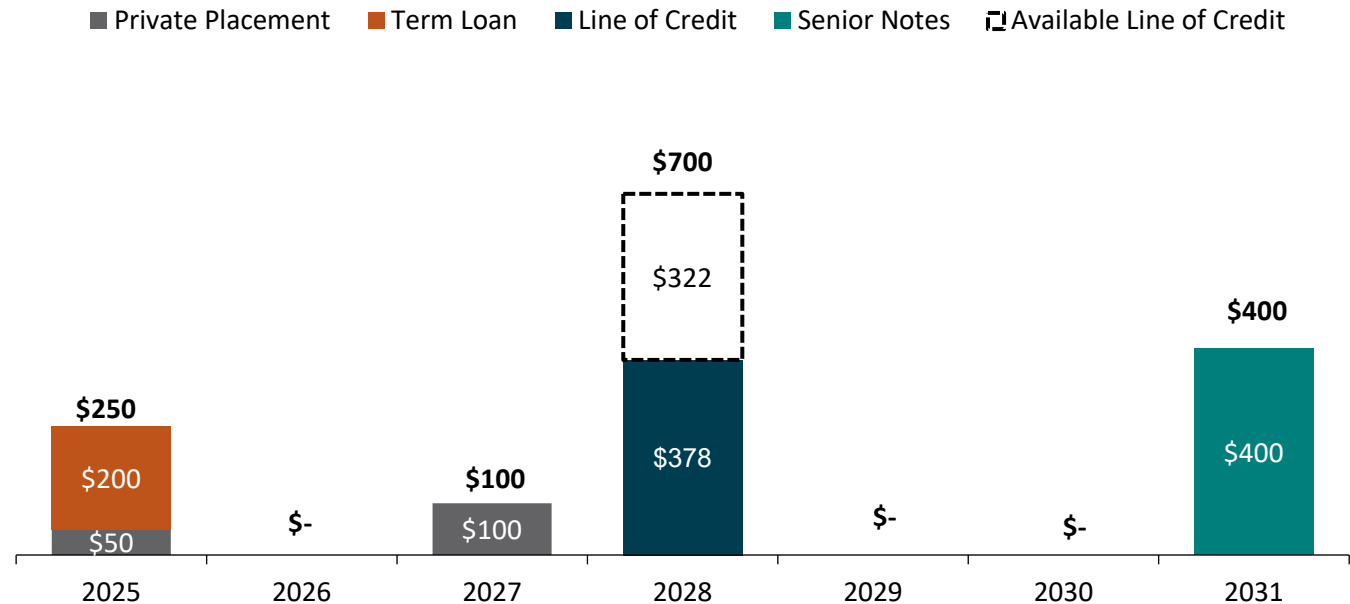
Strong Balance Sheet Provides Ample Liquidity for Investment

- NHI’s current leverage at 3.9x is below its target leverage of 4.0x – 5.0x net debt to adjusted EBITDA as recent acquisitions have been funded largely equity
- Total liquidity of approximately \$758.7 million includes:
 - Approximately 1.4 million shares available to settle under ATM forward sales agreements for proceeds of approximately \$102.3 million
 - Approximately \$322.0 million of available revolver capacity and an incremental \$315.8 million on the ATM
- Investment grade ratings and “stable” outlooks from Moody’s, S&P Global, and Fitch

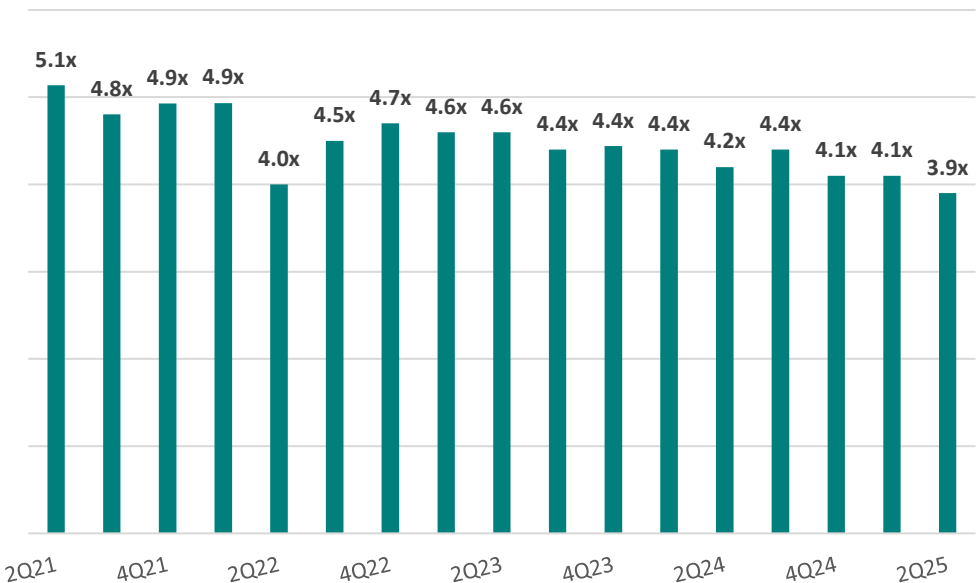
Liquidity as of June 30, 2025

Cash and Restricted Cash	\$ 18.6
Credit Facility Availability	322.0
Equity available under ATM forward sale agreements	102.3
<u>ATM assuming settlement of ATM forward sale agreements</u>	<u>315.8</u>
Total Liquidity	\$ 758.7

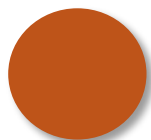
Debt Maturity Schedule



Net Debt to Annualized Adjusted EBITDA ¹



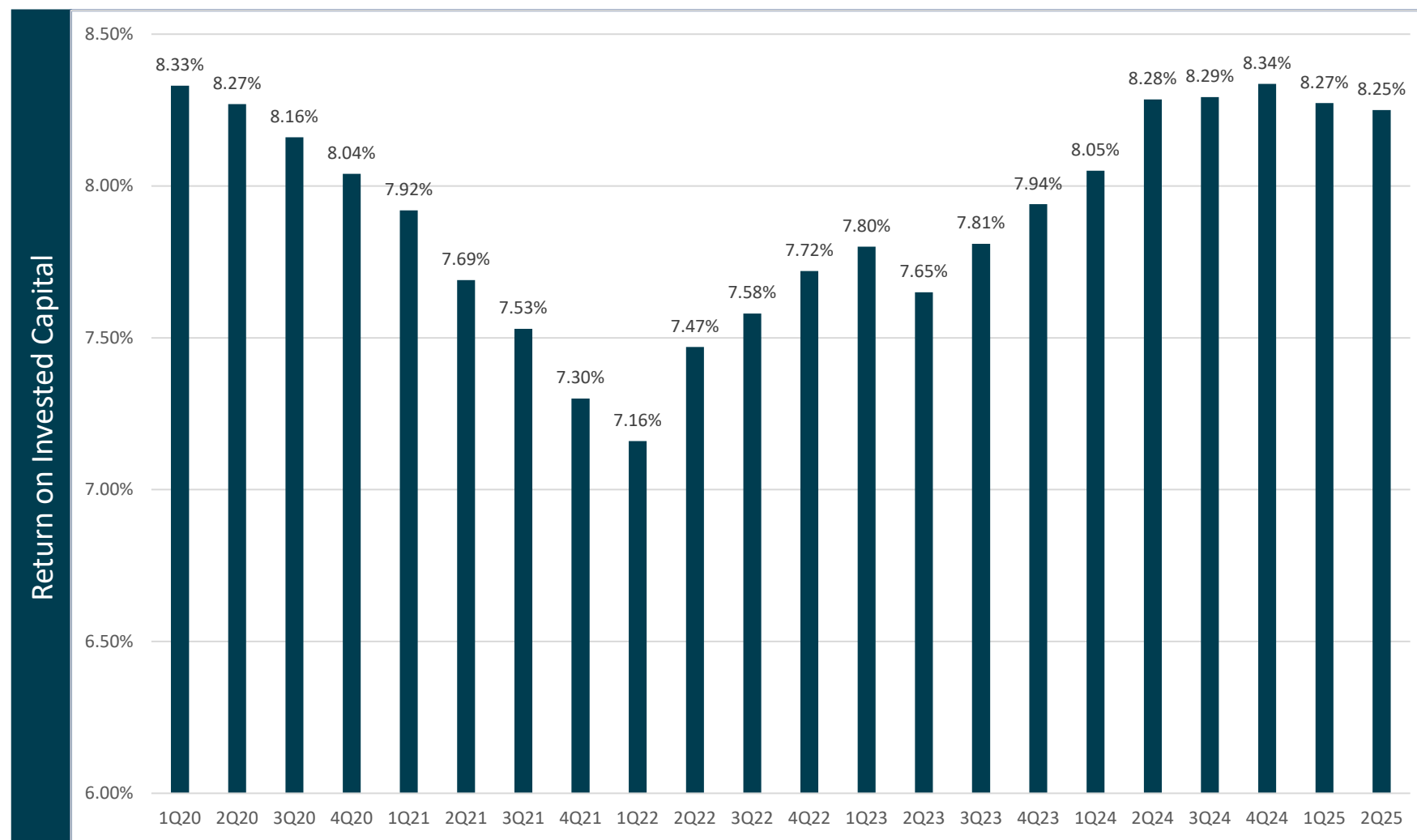
¹ Refer to Appendix for definitions and relevant non-GAAP reconciliations.



Optimization Creating More Invested Capital Efficiency

Optimization Improved ROIC

- Pandemic impacts start in late 2020 with first rent concessions granted
- Dispositions of underperforming properties begins in 2Q21 and included 48 senior housing properties and seven SNFs
- Bickford rent reset and SHOP formation at the beginning of 2Q22
- ROIC improving as dispositions of underperforming assets slow and Normalized FAD stabilizes on solid collections, deferral repayments, limited new concessions, and improving SHOP performance
- 2Q25 ROIC at 8.25% exceeds NHI's weighted average cost of capital

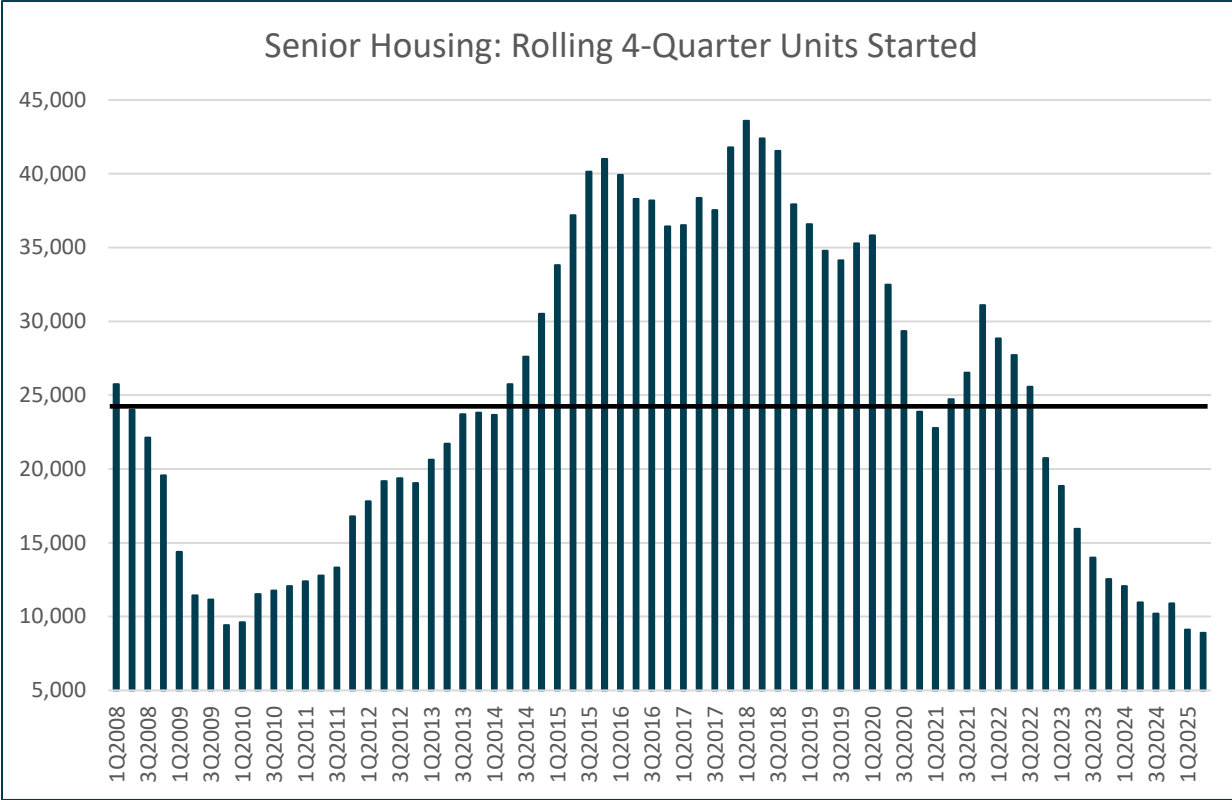
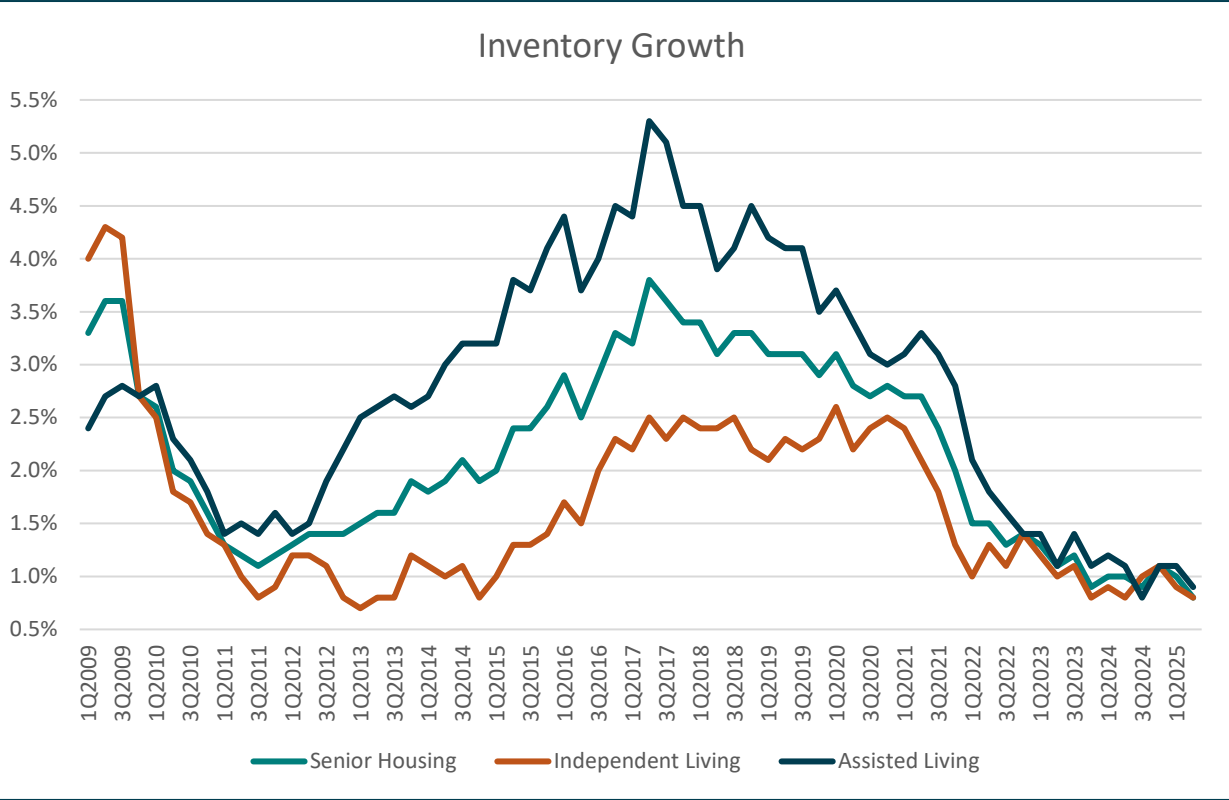




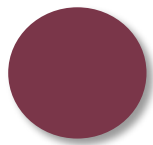
Supply Growth is Slowing

Inventory growth across the care continuum below 1% is at a historic low

New starts in Q2 2025 were the lowest ever recorded and 64% below the historical average



Source: National Investment Center for Senior Housing & Care ("NIC"); data is from NICMAP Primary & Secondary markets through 2Q 2025.

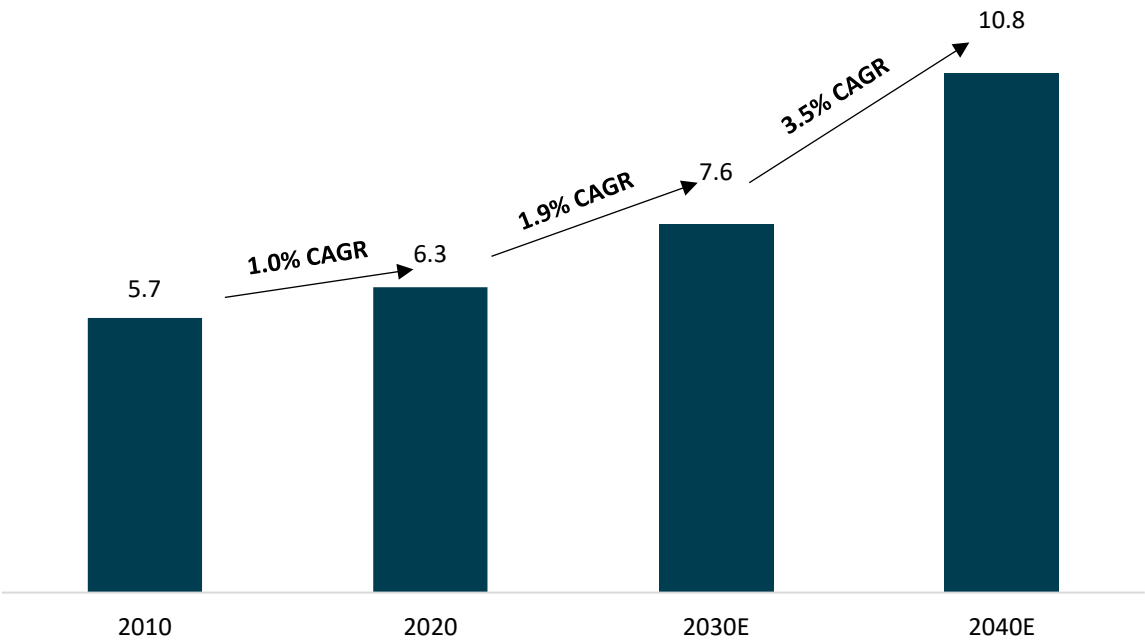


Demand Growth is Surging

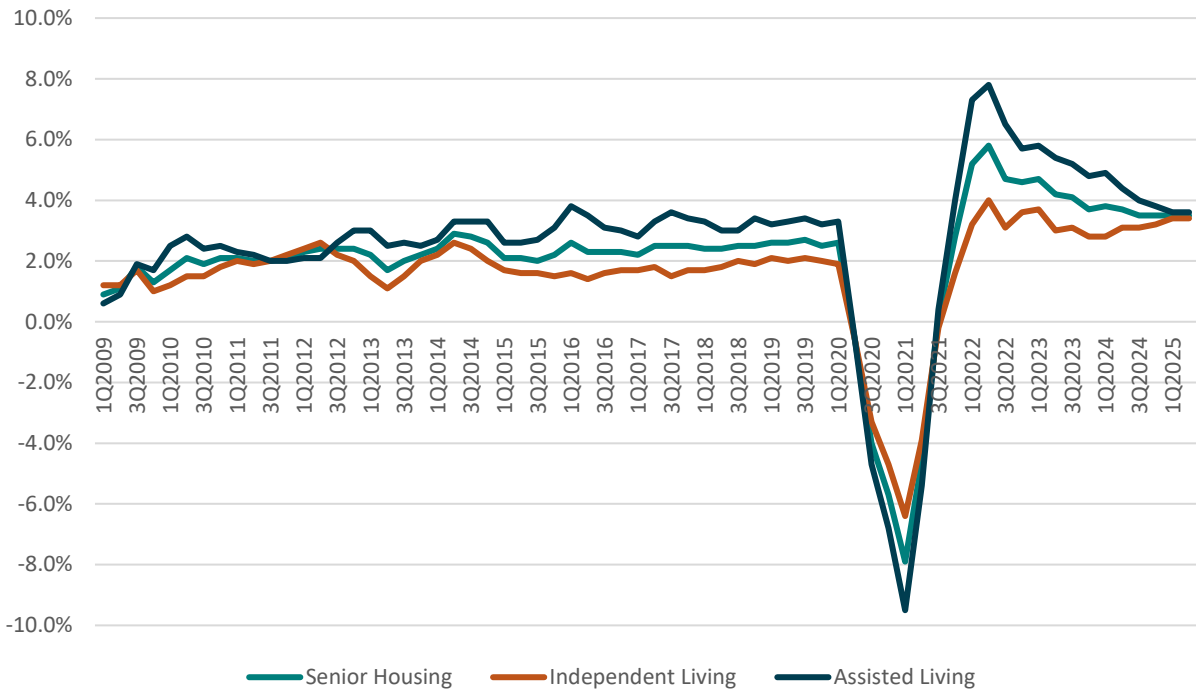
The 85+ population growth is expected to accelerate to 1.9% by 2030 and 3.5% in the following decade

Absorption remains well above historic averages resulting in the highest ever number of occupied senior housing units

U.S. 85+ Population (in millions)



Absorption



Source: University of Virginia’s Weldon Cooper Center for Public Service; National Investment Center for Senior Housing & Care (“NIC”); NIC data is from NICMAP Primary & Secondary markets through 2Q 2025.

Appendix: Definitions

ADJUSTED EBITDA & EBITDARM

NHI considers Adjusted EBITDA to be an important supplemental measure because it provides information which is used to evaluate the Company's performance and serves as an indication of the ability to service debt. NHI defines Adjusted EBITDA as consolidated earnings before interest, taxes, depreciation and amortization, including amounts in discontinued operations, excluding real estate asset impairments and gains on dispositions and certain items which, due to their infrequent or unpredictable nature, may create some difficulty in comparing Adjusted EBITDA for the current period to similar prior periods, and may include, but are not limited to, impairment of non-real estate assets, gains and losses attributable to the acquisition and disposition of assets and liabilities, and recoveries of previous write-downs. Adjusted EBITDA also includes NHI's proportionate share of unconsolidated equity method investments presented on a similar basis. Since others may not use the Company's definition of Adjusted EBITDA, caution should be exercised when comparing NHI's Adjusted EBITDA to that of other companies. EBITDARM is earnings before interest, taxes, depreciation, amortization, rent and management fees.

ADJUSTED NET OPERATING INCOME

Adjusted net operating income ("Adjusted NOI") is a non-U.S. GAAP supplemental financial measure used to evaluate the operating performance of real estate. We define Adjusted NOI as total revenues, less straight-line revenue, less corporate interest income, less tenant reimbursements and property operating expenses, and adjusted for non-cash revenue items including, but not limited to, amortization of commitment fees, deferred financing costs and original issue discounts and lease incentive amortization. We believe Adjusted NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use adjusted NOI to make decisions about resource allocations and to assess the property level performance of our properties.

FAD PAYOUT RATIO

The Funds Available for Distribution (FAD) payout ratio is a metric used in the REIT (Real Estate Investment Trust) industry to gauge the percentage of FAD that a company distributes to shareholders as dividends. The FAD payout ratio is calculated by dividing the company's accrued dividends payable to shareholders by its FAD for the period indicated.

NET OPERATING INCOME

Net operating income ("NOI") is a non-U.S. GAAP supplemental financial measure used to evaluate the operating performance of real estate. NHI defines NOI as total revenues, less tenant reimbursements and property operating expenses. The Company believes NOI provides investors relevant and useful information as it measures the operating performance of properties at the property level on an unleveraged basis. NHI uses NOI to make decisions about resource allocations and to assess the property level performance of our properties.

NAREIT FUNDS FROM OPERATIONS (FFO)

FFO per share, as defined by the National Association of Real Estate Investment Trusts (NAREIT) and applied by us, is calculated using the two-class method with net income allocated to common stockholders and holders of unvested restricted stock by applying the respective weighted-average shares outstanding during each period. The calculation of FFO begins with net income attributable to common stockholders (computed in accordance with GAAP), and excludes gains (or losses) from sales of real estate property, impairments of real estate, and real estate depreciation and amortization after adjusting for unconsolidated partnerships and joint ventures, if any. Diluted FFO per share assumes the exercise of stock options and other potentially dilutive securities.



Appendix: Definitions

NAREIT FUNDS FROM OPERATIONS (FFO)

FFO per share, as defined by the National Association of Real Estate Investment Trusts (NAREIT) and applied by us, is calculated using the two-class method with net income allocated to common stockholders and holders of unvested restricted stock by applying the respective weighted-average shares outstanding during each period. The calculation of FFO begins with net income attributable to common stockholders (computed in accordance with GAAP) and excludes gains (or losses) from sales of real estate property, impairments of real estate, and real estate depreciation and amortization after adjusting for unconsolidated partnerships and joint ventures, if any. Diluted FFO per share assumes the exercise of stock options and other potentially dilutive securities.

NORMALIZED FUNDS FROM OPERATIONS (NORMALIZED FFO)

Normalized FFO excludes from FFO certain items which, due to their infrequent or unpredictable nature, may create some difficulty in comparing FFO for the current period to similar prior periods, and may include, but are not limited to, impairment of non-real estate assets, gains and losses attributable to the acquisition and disposition of non-real estate assets and liabilities, and recoveries of previous write-downs. FFO and Normalized FFO are important supplemental measures of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative, and should be supplemented with a measure such as FFO. The term FFO was designed by the REIT industry to address this issue.

NORMALIZED FUNDS AVAILABLE FOR DISTRIBUTION (FAD)

Normalized FAD is an important supplemental performance measure for a REIT. GAAP requires a lessor to recognize contractual lease payments into income on a straight-line basis over the expected term of the lease. This straight-line adjustment has the effect of reporting lease income that is significantly more or less than the contractual cash flows received pursuant to the terms of the lease agreement. GAAP also requires the original issue discount of our senior unsecured notes and debt issuance costs to be amortized as non-cash adjustments to earnings. We also adjust Normalized FAD for the net change in our allowance for expected credit losses, non-cash stock-based compensation as well as certain noncash items related to our equity method investments such as straight-line lease expense and amortization of purchase accounting adjustments. Normalized FAD is an important supplemental measure of liquidity for a REIT as a useful indicator of the ability to distribute dividends to stockholders.

OCCUPANCY

Occupancy is the average percentage of all units in our SHOP segment that are occupied during the time period described. NHI defines occupancy as the average number of units occupied in any given time period divided by the total number of available units.

RETURN ON INVESTED CAPITAL (ROIC)

ROIC is a performance metric that intends to measure the percentage return earned on capital invested by a company. NHI calculates ROIC as TTM Normalized FAD plus contractual interest divided by the average of total assets plus accumulated depreciation less straight-line rent receivable over the TTM period.

RevPOR

RevPOR is the average monthly revenue generated by occupied units in the SHOP segment. NHI defines RevPOR as monthly resident fees and services revenue divided the number of monthly occupied units.



Reconciliations: FFO, Normalized FFO, Normalized FAD

<i>(unaudited, \$ in thousands, except share and per share amounts)</i>	Q2 2025	Q2 2024	Q1 2025
Net income attributable to common stockholders	\$ 36,938	\$ 35,227	\$ 34,113
Elimination of certain non-cash items in net income:			
Real estate depreciation	19,477	17,276	18,764
Real estate depreciation related to noncontrolling interests	(414)	(411)	(413)
Gains on sales of real estate, net	(110)	(1,517)	(114)
Impairments of real estate	-	654	-
NAREIT FFO attributable to common stockholders	55,891	51,229	52,350
Proxy contest and related	1,308	-	264
Normalized FFO attributable to common stockholders	57,199	51,229	52,614
Non-cash lease revenue adjustments, net	(460)	(622)	(824)
Non-real estate depreciation, net	377	181	338
Amortization of debt issuance costs and discounts, net	939	873	974
Adjustments related to equity method investments, net	(1,907)	(847)	(680)
Recurring capital expenditures, net	(495)	(472)	(439)
Equity method investment non-refundable entrance fees	623	299	310
Note receivable credit loss expense (benefit)	(1,393)	452	(14)
Non-cash stock-based compensation	1,071	686	2,558
Transaction costs	-	-	1,164
Normalized FAD attributable to common stockholders	\$ 55,957	\$ 51,779	\$ 56,001
BASIC			
Weighted average common shares outstanding	46,691,953	43,397,080	45,720,496
NAREIT FFO attributable to common stockholders per share	\$ 1.20	\$ 1.18	\$ 1.15
Normalized FFO attributable to common stockholders per share	\$ 1.23	\$ 1.18	\$ 1.15
DILUTED			
Weighted average common shares outstanding	46,822,465	43,563,654	45,878,528
NAREIT FFO attributable to common stockholders per share	\$ 1.19	\$ 1.18	\$ 1.14
Normalized FFO attributable to common stockholders per share	\$ 1.22	\$ 1.18	\$ 1.15

Reconciliations: Net Operating Income & Adjusted NOI

(unaudited, dollars in thousands)	Three Months Ended June 30,	
	2025	2024
Net Income	\$ 36,689	\$ 34,952
Interest	15,001	14,854
Gains on sales of real estate	(110)	(1,517)
(Gain) loss from equity method investment	(1,524)	(236)
Franchise, excise and other taxes	243	47
Legal	1,095	165
Loan and realty gains (losses)	(1,393)	1,106
General and administrative	6,125	4,870
Depreciation	19,918	17,490
<u>Proxy and related</u>	<u>1,308</u>	<u>-</u>
Consolidated NOI	\$ 77,352	\$ 71,731
Straight-line revenue	(1,034)	(1,213)
Amortization of lease incentives	725	723
Amortization of commitment fees and discounts	(121)	308
<u>Non-segment/Corporate</u>	<u>(35)</u>	<u>76</u>
Adjusted NOI	\$ 76,887	\$ 71,625

Reconciliations: SHOP NOI

(\$ in thousands)	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025
Total revenues	\$ 35,796	\$ 11,700	\$ 11,793	\$ 12,367	\$ 12,950	\$ 48,809	\$ 13,256	\$ 13,390	\$ 13,771	\$ 14,004	\$ 54,421	\$ 13,939	\$ 14,217
Labor						(16,165)	(4,227)	(4,200)			(17,166)	(4,299)	(4,324)
Dietary						(3,763)	(1,004)	(1,075)			(4,287)	(1,045)	(1,104)
Utilities						(3,537)	(933)	(913)			(3,887)	(1,097)	(940)
Taxes and insurance						(5,889)	(1,550)	(1,682)			(6,412)	(1,538)	(1,413)
Other senior housing operating expenses	(28,193)	(9,799)	(9,682)	(10,045)	(10,062)	(10,233)	(2,600)	(2,567)	(10,744)	(10,756)	(10,499)	(2,874)	(2,615)
NOI	7,603	1,901	2,111	2,322	2,888	9,222	2,942	2,953	3,027	3,248	12,170	3,086	3,821
Depreciation	(6,408)	(2,227)	(2,239)	(2,292)	(2,400)	(9,158)	(2,437)	(2,490)	(2,591)	(2,639)	(10,157)	(2,758)	(2,811)
Net income (loss)	\$ 1,195	\$ (326)	\$ (128)	\$ 30	\$ 488	\$ 64	\$ 505	\$ 463	\$ 436	\$ 609	\$ 2,013	\$ 328	\$ 1,010

Reconciliations: Adjusted EBITDA

(unaudited, dollars in thousands)	Three Months Ended June 30,	
	2025	2024
Net income	\$ 36,689	\$ 34,952
Interest expense	15,001	14,854
Franchise, excise, and other taxes	243	47
Depreciation	19,918	17,490
Gains on sales of real estate, net	(110)	(1,517)
Notes receivable credit loss (benefit) expense	(1,393)	452
<u>Impairments of real estate</u>	<u>-</u>	<u>654</u>
Adjusted EBITDA	\$ 70,348	\$ 66,932
Interest expense at contractual rates	\$ 14,062	\$ 14,0029
<u>Principal payments</u>	<u>110</u>	<u>105</u>
Fixed Charges	\$ 14,172	\$ 14,134
Fixed Charge Coverage	5.0x	4.7x
Net Debt to Adjusted EBITDA		
Consolidated Total Debt	\$ 1,118,835	
<u>Less: cash and cash equivalents</u>	<u>(18,640)</u>	
Consolidated Net Debt	\$ 1,110,195	
Adjusted EBITDA	\$ 70,348	
Annualizing Adjustment	211,044	
<u>Annualized impact of recent investments</u>	<u>-</u>	
	\$ 281,392	
Consolidated Net Debt to Adjusted EBITDA	3.9x	

Reconciliations: Adjusted EBITDA

<i>(dollars in thousands)</i>	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q4 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Net income	\$ 39,230	\$ 30,849	\$ 6,505	\$ 8,246	\$ 21,466	\$ 34,230	\$ 1,558	\$ 34,183	\$ 39,448	\$ 29,033	\$ 31,718	\$ 30,657	\$ 34,952	\$ 28,242	\$ 42,788	\$ 33,817	\$ 36,689
Interest expense	12,840	12,715	12,282	10,198	10,862	11,412	12,445	14,027	14,194	15,086	14,852	14,869	14,854	14,939	15,241	14,337	15,001
Franchise, excise and other taxes	232	244	79	244	225	225	150	183	258	2	7	(187)	47	83	94	269	243
Depreciation	20,658	20,035	19,299	18,272	17,772	17,533	17,303	17,617	17,730	17,515	17,112	17,505	17,490	17,768	18,680	19,157	19,918
Unconsolidated EBITDA	798	678	678	678	713	713	917	495	706	583	583	719	-	-	-	-	-
NR credit loss expense	1,221	(37)	(185)	(76)	(47)	1,803	8,676	(756)	55	786	(351)	10	452	3,434	745	(14)	(1,393)
<u>Other items</u>	<u>(6,484)</u>	<u>1,880</u>	<u>23,075</u>	<u>23,913</u>	<u>18,444</u>	<u>(4,332)</u>	<u>18,234</u>	<u>(3,559)</u>	<u>(11,182)</u>	<u>436</u>	<u>(1,221)</u>	<u>686</u>	<u>(863)</u>	<u>(102)</u>	<u>819</u>	<u>494</u>	<u>(110)</u>
Adjusted EBITDA	\$ 68,495	\$ 66,364	\$ 61,733	\$ 61,475	\$ 69,435	\$ 61,584	\$ 59,283	\$ 62,190	\$ 61,208	\$ 63,441	\$ 62,700	\$ 64,259	\$ 66,932	\$ 64,364	\$ 67,146	\$ 68,060	\$ 70,348
Total debt	\$ 1,434,744	\$ 1,285,287	\$ 1,242,883	\$ 1,249,044	\$ 1,104,495	\$ 1,114,999	\$ 1,147,511	\$ 1,176,014	\$ 1,134,815	\$ 1,144,438	\$ 1,135,051	\$ 1,139,266	\$ 1,136,035	\$ 1,136,302	\$ 1,146,041	\$ 1,262,985	\$ 1,118,835
<u>Cash and equivalents</u>	<u>(32,544)</u>	<u>(48,393)</u>	<u>(37,412)</u>	<u>(36,121)</u>	<u>(43,435)</u>	<u>(28,811)</u>	<u>(19,291)</u>	<u>(13,875)</u>	<u>(17,411)</u>	<u>(16,579)</u>	<u>(22,347)</u>	<u>(11,357)</u>	<u>(14,766)</u>	<u>(15,550)</u>	<u>(24,289)</u>	<u>(135,004)</u>	<u>(18,640)</u>
Net debt	\$ 1,402,200	\$ 1,236,894	\$ 1,205,471	\$ 1,212,923	\$ 1,061,060	\$ 1,086,188	\$ 1,128,220	\$ 1,162,139	\$ 1,117,404	\$ 1,127,859	\$ 1,112,704	\$ 1,127,909	\$ 1,121,269	\$ 1,120,752	\$ 1,1221,752	\$ 1,127,981	\$ 1,100,195
Annualized EBITDA	\$ 273,981	\$ 265,456	\$ 246,932	\$ 245,900	\$ 277,741	\$ 246,334	\$ 237,131	\$ 248,760	\$ 244,832	\$ 253,765	\$ 250,801	\$ 257,035	\$ 267,728	\$ 257,456	\$ 268,584	\$ 272,240	\$ 281,392
<u>Impact of recent investments</u>	<u>(953)</u>	<u>(7,915)</u>	<u>(2,364)</u>	<u>(42)</u>	<u>(11,792)</u>	<u>(2,752)</u>	<u>682</u>	<u>2,086</u>	<u>(2,429)</u>	<u>473</u>	<u>(107)</u>	<u>85</u>	<u>2,341</u>	<u>(194)</u>	<u>3,717</u>	<u>4,798</u>	<u>-</u>
Adjusted annualized EBITDA	\$ 273,028	\$ 257,541	\$ 244,568	\$ 245,858	\$ 265,949	\$ 243,582	\$ 237,813	\$ 250,846	\$ 242,403	\$ 254,238	\$ 250,693	\$ 257,121	\$ 270,069	\$ 257,262	\$ 272,301	\$ 277,038	\$ 281,392
Net Debt / Adj. EBITDA	5.1x	4.8x	4.9x	4.9x	4.0x	4.5x	4.7x	4.6x	4.6x	4.4x	4.4x	4.4x	4.2x	4.4x	4.1x	4.1x	3.9x

Reconciliations: ROIC

<i>(dollars in thousands)</i>	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Total Assets	\$ 3,166,971	\$ 3,139,273	\$ 3,120,346	\$ 3,183,273	\$ 3,077,445	\$ 2,912,177	\$ 2,838,876	\$ 2,802,503	\$ 2,587,291	\$ 2,508,785
Add: Accumulated Depreciation	555,762	576,605	597,638	618,299	622,943	593,215	576,668	582,175	593,036	599,423
Less: Straight-line Receivable	<u>(89,090)</u>	<u>(92,418)</u>	<u>(95,703)</u>	<u>(98,354)</u>	<u>(97,723)</u>	<u>(99,895)</u>	<u>(96,198)</u>	<u>(94,739)</u>	<u>(79,697)</u>	<u>(81,959)</u>
Invested Capital	\$ 3,633,643	\$ 3,623,460	\$ 3,622,281	\$ 3,703,218	\$ 3,602,665	\$ 3,405,497	\$ 3,319,346	\$ 3,289,939	\$ 3,100,630	\$ 3,026,249
Normalized FAD	\$ 60,925	\$ 60,270	\$ 59,003	\$ 59,551	\$ 52,839	\$ 51,173	\$ 45,911	\$ 52,669	\$ 56,279	\$ 47,378
Add: Contractual Interest	<u>12,832</u>	<u>11,907</u>	<u>11,537</u>	<u>12,230</u>	<u>12,188</u>	<u>12,085</u>	<u>11,668</u>	<u>9,558</u>	<u>10,262</u>	<u>10,821</u>
FAD before contractual interest	\$ 73,757	\$ 72,177	\$ 70,540	\$ 71,781	\$ 65,027	\$ 63,258	\$ 57,579	\$ 62,227	\$ 66,541	\$ 58,199
TTM Invested Capital	\$ 3,511,852	\$ 3,555,284	\$ 3,593,428	\$ 3,639,943	\$ 3,637,053	\$ 3,591,424	\$ 3,530,601	\$ 3,464,133	\$ 3,343,616	\$ 3,228,332
TTM Normalized FAD plus contractual interest	\$ 290,548	\$ 290,094	\$ 289,023	\$ 288,256	\$ 279,525	\$ 270,606	\$ 257,645	\$ 248,091	\$ 249,605	\$ 244,546
Return on Invested Capital	8.27%	8.16%	8.04%	7.92%	7.69%	7.53%	7.30%	7.16%	7.47%	7.58%

<i>(dollars in thousands)</i>	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Total Assets	\$ 2,507,424	\$ 2,533,230	\$ 2,498,495	\$ 2,499,090	\$ 2,488,480	\$ 2,478,125	\$ 2,476,912	\$ 2,460,090	\$ 2,614,371	\$ 2,782,885	\$ 2,695,959
Add: Accumulated Depreciation	611,688	625,743	638,631	656,155	673,276	690,790	705,829	723,606	742,295	761,462	781,390
Less: Straight-line Receivable	<u>(76,895)</u>	<u>(79,103)</u>	<u>(82,295)</u>	<u>(83,549)</u>	<u>(84,713)</u>	<u>(84,257)</u>	<u>(85,321)</u>	<u>(86,334)</u>	<u>(87,150)</u>	<u>(88,311)</u>	<u>(89,097)</u>
Invested Capital	\$ 3,042,217	\$ 3,079,870	\$ 3,054,831	\$ 3,071,696	\$ 3,077,043	\$ 3,084,659	\$ 3,097,420	\$ 3,097,362	\$ 3,269,516	\$ 3,456,036	\$ 3,388,251
Normalized FAD	\$ 44,712	\$ 47,739	\$ 44,586	\$ 48,171	\$ 47,347	\$ 50,975	\$ 51,780	\$ 49,383	\$ 52,071	\$ 56,001	\$ 55,957
Add: Contractual Interest	<u>11,847</u>	<u>13,440</u>	<u>13,612</u>	<u>14,387</u>	<u>14,164</u>	<u>14,088</u>	<u>14,028</u>	<u>14,129</u>	<u>14,066</u>	<u>13,359</u>	<u>14,062</u>
FAD before contractual interest	\$ 56,559	\$ 61,179	\$ 58,198	\$ 62,558	\$ 61,511	\$ 65,063	\$ 65,808	\$ 63,512	\$ 66,137	\$ 69,360	\$ 70,019
TTM Invested Capital	\$ 3,155,676	\$ 3,107,781	\$ 3,060,759	\$ 3,054,973	\$ 3,065,131	\$ 3,073,620	\$ 3,077,130	\$ 3,085,636	\$ 3,125,200	\$ 3,200,999	\$ 3,261,717
TTM Normalized FAD plus contractual interest	\$ 243,526	\$ 242,479	\$ 234,136	\$ 238,495	\$ 243,447	\$ 247,329	\$ 254,939	\$ 255,893	\$ 260,518	\$ 264,815	\$ 269,028
Return on Invested Capital	7.72%	7.80%	7.65%	7.81%	7.94%	8.05%	8.28%	8.29%	8.34%	8.27%	8.25%

Appendix: Senior Housing & SNF Dispositions

(dollars in thousands)

	Operator	Units	Properties	Net Proceeds
Q2 2021	Bickford Senior Living ¹	247	6	\$39,924
Q3 2021	Holiday Retirement	1,030	9	119,799
Q3 2021	Senior Living Management	131	1	12,847
Q4 2021	Brookdale Senior Living	76	1	11,880
Q4 2021	Senior Living Management	98	1	7,275
Q4 2021	Genesis Healthcare	180	1	3,723
Q1 2022	Vitality Senior Living	135	1	8,302
Q2 2022	Holiday Retirement	83	1	2,990
Q2 2022	Chancellor Health Care	74	2	7,305
Q2 2022	Bickford Senior Living	67	1	3,857
Q2 2022	Comfort Care Senior Living	237	4	40,000
Q2 2022	Bickford Senior Living	171	2	22,102
Q3 2022	Discovery Senior Living	90	1	8,235
Q3 2022	Discovery Senior Living	148	1	8,144
Q1 2023	BAKA Enterprises	120	1	7,478
Q1 2023	Bickford Senior Living	45	1	2,553
Q2 2023	Milestone Retirement	76	2	3,803
Q2 2023	Chancellor Health Care	25	1	2,355
Q2 2023	Chancellor Health Care	64	1	7,633
Q2 2023	Milestone Retirement	25	1	1,602
Q2 2023	Chancellor Health Care	227	1	23,724
Q3 2023	Chancellor Health Care	29	1	2,923
Q4 2023	Senior Living Management ²	90	3	5,387
Q2 2024	Senior Living Management	64	2	4,658
Q4 2024	Senior Living Management	141	1	9,731
Q4 2024	Bickford Senior Living	28	1	790
Total Senior Housing		4,976	48	\$369,020
Q3 2022	National Healthcare Corp	780	7	43,686
Total Senior Housing & SNF		5,756	55	\$412,706

¹ Excludes \$13.0 million second mortgage provided by NHI

² Excludes \$1.6 million of seller financing provided by NHI