



**DIVERSIFIED
HEALTHCARE
TRUST**

SECOND QUARTER 2022

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.



Muse at Torrey Pines
San Diego, CA

Table of Contents

CORPORATE INFORMATION

Company Profile	3
Investor Information	4
Research Coverage	5

FINANCIALS

Key Financial Data	6
Condensed Consolidated Balance Sheets	7
Condensed Consolidated Statements of Income (Loss)	8
Condensed Consolidated Statements of Income (Loss) (Additional Data)	9
Debt Summary	10
Debt Maturity Schedule	11
Leverage Ratios, Coverage Ratios and Public Debt Covenants	12
Summary of Capital Expenditures	13
Office Portfolio Redevelopment Information as of June 30, 2022	14
Property Acquisitions / Dispositions Information Since January 1, 2022	15
Investments in Unconsolidated Joint Ventures	16
Calculation and Reconciliation of NOI and Cash Basis NOI	18
NOI and Cash Basis NOI	19
Same Property NOI and Cash Basis NOI	20
Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment	21
Calculation and Reconciliation of EBITDA, EBITDAre and Adjusted EBITDAre	25
Calculation and Reconciliation of FFO and Normalized FFO Attributable to Common Shareholders	26

PORTFOLIO INFORMATION

Portfolio Summary by Geographic Diversification and Property Type	27
Portfolio Summary	28
SHOP Unit Count	29
Rent Coverage and Occupancy	30
Office Portfolio and Same Property - Results of Operations	31
SHOP Segment and Same Property - Results of Operations	34
SHOP Segment - Five Star Managed and Other Operator Managed Communities Results of Operations	35
Office Portfolio Leasing Summary	37
Tenants Representing 1% or More of Total Annualized Rental Income	38
Office Portfolio Lease Expiration Schedule	39
Non-Segment Lease Expiration Schedule	40

NON-GAAP FINANCIAL MEASURES AND CERTAIN DEFINITIONS

WARNING CONCERNING FORWARD-LOOKING STATEMENTS	45
---	--------------------

DHC
Nasdaq Listed

Please refer to Non-GAAP Financial Measures and Certain Definitions beginning on page [41](#) for terms used throughout this document.

Company Profile

The Company:

Diversified Healthcare Trust, or DHC, we, our or us, is a real estate investment trust, or REIT, which owns healthcare related properties, including medical office and life science buildings, senior living communities and wellness centers located throughout the U.S. DHC is included in 139 market indices and comprises more than 1% of the following indices as of June 30, 2022: BI North America Healthcare REIT Valuation Peers (BIHLCRNP), Bloomberg Real Estate Investment Trust Mid Cap Index (BBREMIDC), Invesco S&P SmallCap 600 Pure Value ETF INAV Index (RZVIV) and the Invesco S&P SmallCap 600 Equal Weight ETF INAV Index (EWSCIV).

Management:

DHC is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of June 30, 2022, RMR had more than \$37 billion of real estate assets under management and the combined RMR managed companies had approximately \$12 billion of annual revenues, more than 2,100 properties and approximately 38,000 employees. We believe that being managed by RMR is a competitive advantage for DHC because of RMR’s depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services if we were self managed.

Corporate Headquarters:

Two Newton Place
255 Washington Street, Suite 300
Newton, MA 02458-1634
(t) (617) 796-8350

Stock Exchange Listing:

Nasdaq

Trading Symbols:

Common Shares: DHC
Senior Unsecured Notes due 2042: DHCNI
Senior Unsecured Notes due 2046: DHCNL

Investor Information

Board of Trustees:

John L. Harrington
Independent Trustee

David A. Pierce
Independent Trustee

Jennifer F. Francis
Managing Trustee

Lisa Harris Jones
Lead Independent Trustee

Jeffrey P. Somers
Independent Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

Daniel F. LePage
Independent Trustee

Executive Officers:

Jennifer F. Francis
President and Chief Executive Officer

Richard W. Siedel, Jr.
Chief Financial Officer and Treasurer

Contact Information:

Investor Relations

Diversified Healthcare Trust
Two Newton Place
255 Washington Street, Suite 300
Newton, MA 02458-1634
(t) (617) 796-8350
(email) info@dhcreit.com
(website) www.dhcreit.com

Inquiries

Financial, investor and media inquiries should be directed to Michael Kodesch, Director, Investor Relations, at (617) 796-8234, or mkodesch@dhcreit.com



6700 W 115th Street
Overland Park, KS

Research Coverage

Equity Research Coverage:

B. Riley Securities, Inc.

Bryan Maher
(646) 885-5423
bmaher@brileyfin.com

BofA Securities

Joshua Dennerlein
(646) 855-1681
joshua.dennerlein@bofa.com

Colliers Securities LLC

David Toti
(401) 488-4797
david.toti@colliers.com

JMP Securities

Aaron Hecht
(415) 835-3963
ahecht@jmpsecurities.com

RBC Capital Markets

Michael Carroll
(440) 715-2649
michael.carroll@rbccm.com

Rating Agencies:

Moody's Investors Service

Lori Marks
(212) 553-1098
lori.marks@moody's.com

S & P Global

Alan Zigman
(416) 507-2556
alan.zigman@spglobal.com

DHC is followed by the equity research analysts and its publicly held debt is rated by the rating agencies listed on this page. Please note that any opinions, estimates or forecasts regarding DHC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of DHC or its management. DHC does not by its reference on this page imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

Key Financial Data

(dollars in thousands, except per share data)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<u>Selected Balance Sheet Data:</u>					
Total gross assets	\$ 7,884,243	\$ 8,465,059	\$ 8,361,321	\$ 8,907,220	\$ 8,972,324
Total assets	\$ 6,145,864	\$ 6,775,379	\$ 6,623,514	\$ 7,066,048	\$ 7,179,852
Total liabilities	\$ 3,356,239	\$ 3,874,646	\$ 3,961,124	\$ 4,656,391	\$ 4,674,703
Total equity	\$ 2,789,625	\$ 2,900,733	\$ 2,662,390	\$ 2,409,657	\$ 2,505,149
<u>Selected Income Statement Data:</u>					
Total revenues	\$ 313,028	\$ 310,733	\$ 336,731	\$ 337,416	\$ 346,341
Net (loss) income	\$ (109,383)	\$ 240,423	\$ 366,758	\$ (88,004)	\$ (32,645)
Net (loss) income attributable to common shareholders	\$ (109,383)	\$ 240,423	\$ 365,585	\$ (89,343)	\$ (34,222)
NOI	\$ 46,962	\$ 41,991	\$ 63,015	\$ 71,343	\$ 81,709
Adjusted EBITDAre	\$ 47,975	\$ 38,897	\$ 53,875	\$ 63,080	\$ 87,789
FFO attributable to common shareholders	\$ (41,245)	\$ (23,170)	\$ (19,270)	\$ (13,799)	\$ (1,525)
Normalized FFO attributable to common shareholders	\$ (10,395)	\$ (21,901)	\$ (16,495)	\$ (9,449)	\$ 12,215
<u>Per Common Share Data (basic and diluted):</u>					
Net (loss) income attributable to common shareholders	\$ (0.46)	\$ 1.01	\$ 1.54	\$ (0.38)	\$ (0.14)
FFO attributable to common shareholders	\$ (0.17)	\$ (0.10)	\$ (0.08)	\$ (0.06)	\$ (0.01)
Normalized FFO attributable to common shareholders	\$ (0.04)	\$ (0.09)	\$ (0.07)	\$ (0.04)	\$ 0.05
<u>Dividends:</u>					
Annualized dividend declared per common share	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Annualized dividend yield (at end of period)	2.2 %	1.3 %	1.3 %	1.2 %	1.0 %
Normalized FFO attributable to common shareholders payout ratio	(25.0)%	(11.1)%	(14.3)%	(25.0)%	20.0 %



Condensed Consolidated Balance Sheets

(dollars in thousands, except share data)

	June 30, 2022	December 31, 2021
Assets		
Real estate properties:		
Land	\$ 652,655	\$ 741,501
Buildings and improvements	5,819,802	6,072,055
Total real estate properties, gross	6,472,457	6,813,556
Accumulated depreciation	(1,738,379)	(1,737,807)
Total real estate properties, net	4,734,078	5,075,749
Investments in unconsolidated joint ventures	158,759	215,127
Cash and cash equivalents	705,160	634,848
Restricted cash	163,242	382,097
Acquired real estate leases and other intangible assets, net	37,359	48,746
Other assets, net	347,266	266,947
Total assets	\$ 6,145,864	\$ 6,623,514
Liabilities and Shareholders' Equity		
Revolving credit facility	\$ 700,000	\$ 800,000
Senior unsecured notes, net	2,315,286	2,806,811
Secured debt and finance leases, net	57,006	69,713
Accrued interest	27,639	29,845
Assumed real estate lease obligations, net	1,293	2,556
Other liabilities	255,015	252,199
Total liabilities	3,356,239	3,961,124
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value: 300,000,000 shares authorized, 239,123,496 and 238,994,894 shares issued and outstanding, respectively	2,391	2,390
Additional paid in capital	4,616,449	4,615,475
Cumulative net income	2,218,664	2,087,624
Cumulative distributions	(4,047,879)	(4,043,099)
Total shareholders' equity	2,789,625	2,662,390
Total liabilities and shareholders' equity	\$ 6,145,864	\$ 6,623,514



Condensed Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues:				
Rental income	\$ 62,522	\$ 102,394	\$ 127,807	\$ 205,152
Residents fees and services	250,506	243,947	495,954	503,913
Total revenues	313,028	346,341	623,761	709,065
Expenses:				
Property operating expenses	266,066	264,632	534,808	552,023
Depreciation and amortization	58,261	67,888	115,520	134,041
General and administrative	7,207	9,126	14,492	16,668
Acquisition and certain other transaction related costs	609	12,071	1,537	12,071
Impairment of assets	—	—	—	(174)
Total expenses	332,143	353,717	666,357	714,629
(Loss) gain on sale of properties	(686)	30,760	327,108	30,638
Losses on equity securities, net	(10,157)	(3,849)	(18,710)	(12,188)
Interest and other income ⁽¹⁾	2,266	16,038	2,661	18,873
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,318, \$3,017, \$4,790 and \$5,829, respectively)	(55,975)	(67,657)	(113,106)	(127,748)
Loss on modification or early extinguishment of debt	(29,560)	(370)	(30,043)	(2,410)
(Loss) income from continuing operations before income tax benefit (expense) and equity in earnings of investees	(113,227)	(32,454)	125,314	(98,399)
Income tax benefit (expense)	640	(191)	(832)	(429)
Equity in earnings of investees	3,204	—	6,558	—
Net (loss) income	(109,383)	(32,645)	131,040	(98,828)
Net income attributable to noncontrolling interest	—	(1,577)	—	(2,899)
Net (loss) income attributable to common shareholders	<u>\$ (109,383)</u>	<u>\$ (34,222)</u>	<u>\$ 131,040</u>	<u>\$ (101,727)</u>
Weighted average common shares outstanding (basic and diluted)	<u>238,197</u>	<u>237,871</u>	<u>238,173</u>	<u>237,853</u>
Per common share data (basic and diluted):				
Net (loss) income attributable to common shareholders	<u>\$ (0.46)</u>	<u>\$ (0.14)</u>	<u>\$ 0.55</u>	<u>\$ (0.43)</u>

(1) See footnote on the following page.

Condensed Consolidated Statements of Income (Loss) (Additional Data)

(dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<u>Additional Data:</u>				
General and administrative expenses / total assets (at end of period)	0.1 %	0.1 %	0.2 %	0.2 %
Non-cash straight line rent adjustments included in rental income	\$ 2,710	\$ 1,321	\$ 4,455	\$ 2,125
Lease value amortization included in rental income	\$ (57)	\$ 1,849	\$ (162)	\$ 3,715
Non-cash share based compensation	\$ 665	\$ 675	\$ 980	\$ 903
Non-cash amortization included in property operating expenses	\$ 199	\$ 199	\$ 398	\$ 398
Non-cash amortization included in general and administrative expenses	\$ 743	\$ 743	\$ 1,487	\$ 1,487
CARES Act ⁽¹⁾	\$ 760	\$ 15,748	\$ 959	\$ 18,181

(1) We recognized as other income funds received under the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, in our SHOP segment of \$760 and \$15,748 during the three months ended June 30, 2022 and 2021, respectively, and \$959 and \$18,181 during the six months ended June 30, 2022 and 2021, respectively.

Debt Summary

As of June 30, 2022

(dollars in thousands)

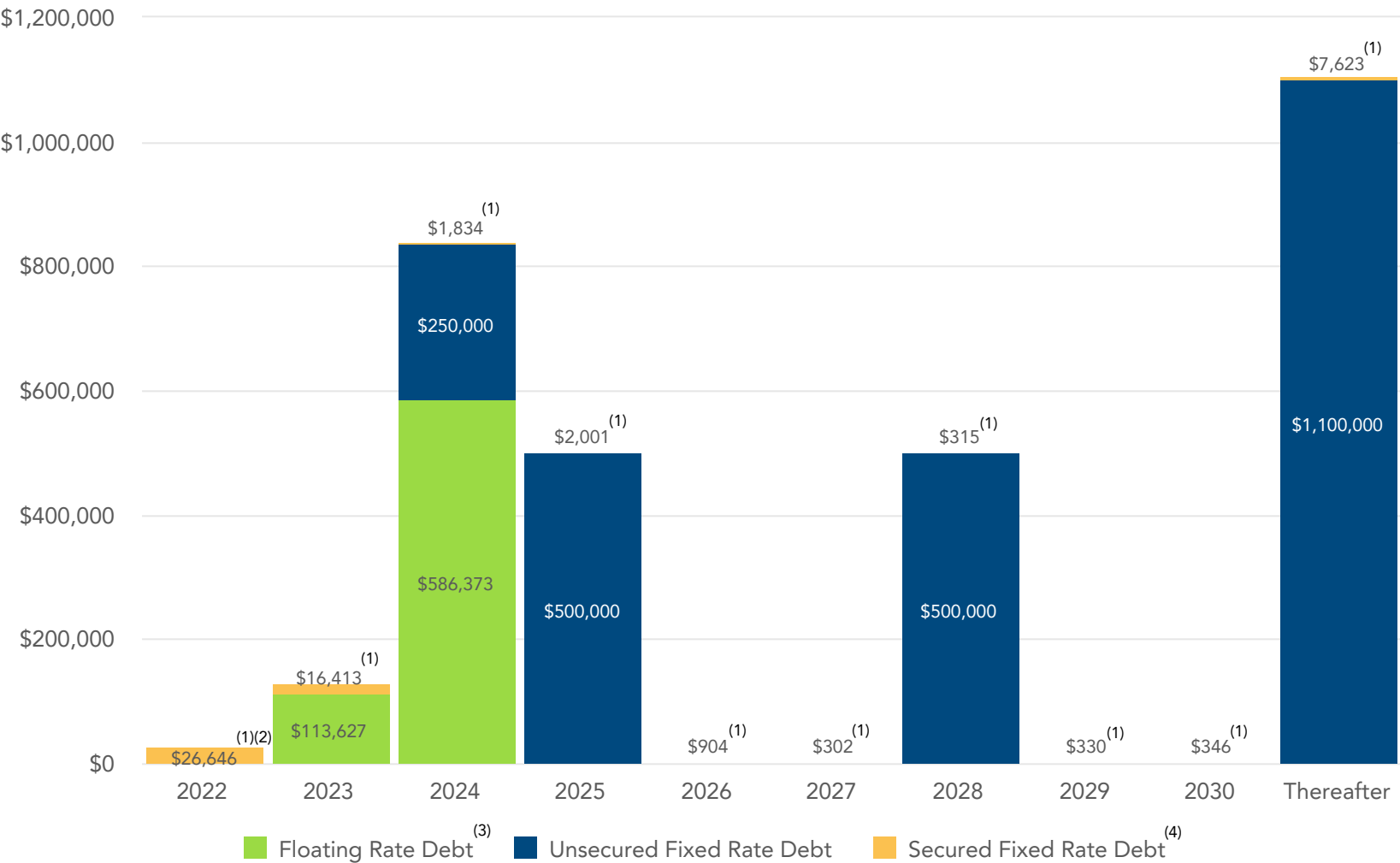
	Coupon Rate	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Floating Rate Debt:						
Revolving credit facility ^{(1) (2)}	4.166%	4.166%	\$ 700,000	1/15/2024	\$ 700,000	1.5
Weighted average rate / total floating rate debt	4.166%	4.166%	\$ 700,000		\$ 700,000	1.5
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2024	4.750%	4.790%	\$ 250,000	5/1/2024	\$ 250,000	1.8
Senior unsecured notes due 2025 ⁽³⁾	9.750%	9.750%	500,000	6/15/2025	500,000	3.0
Senior unsecured notes due 2028	4.750%	4.966%	500,000	2/15/2028	500,000	5.6
Senior unsecured notes due 2031	4.375%	4.375%	500,000	3/1/2031	500,000	8.7
Senior unsecured notes due 2042	5.625%	5.625%	350,000	8/1/2042	350,000	20.1
Senior unsecured notes due 2046	6.250%	6.250%	250,000	2/1/2046	250,000	23.6
Weighted average rate / total unsecured fixed rate debt	6.024%	6.074%	\$ 2,350,000		\$ 2,350,000	9.4
Weighted average rate / total floating and unsecured fixed rate debt	5.598%	5.636%	\$ 3,050,000		\$ 3,050,000	7.6
Secured Fixed Rate Debt:						
Mortgage - secured by 1 property	4.850%	3.790%	\$ 10,352	10/1/2022	\$ 10,287	0.3
Mortgage - secured by 2 properties ⁽⁴⁾	5.750%	5.110%	15,273	10/6/2022	15,182	0.3
Mortgage - secured by 1 property	6.640%	4.920%	14,970	6/1/2023	14,522	0.9
Finance leases - 2 properties	7.700%	7.700%	5,999	4/30/2026	155	3.8
Mortgage - secured by 1 property	4.444%	4.444%	10,120	7/1/2043	1,698	21.0
Weighted average rate / total secured fixed rate debt	5.794%	4.974%	\$ 56,714		\$ 41,844	4.5
Weighted average rate / total debt	5.601%	5.624%	\$ 3,106,714		\$ 3,091,844	7.5

- (1) We pledged certain equity interests of subsidiaries owning properties to secure our obligations under the agreement governing our revolving credit facility, or our credit agreement, and provided first mortgage liens on 61 of our medical office and life science properties.
- (2) Pursuant to our credit agreement, the borrowing capacity under our revolving credit facility will be reduced to \$586,373 in January 2023 and as such, partial repayment of \$113,627 of our revolving credit facility will be required by that time.
- (3) We have the option to redeem all or a portion of our senior unsecured notes due 2025 at any time at a set redemption price.
- (4) We prepaid this mortgage in July 2022.

Debt Maturity Schedule

As of June 30, 2022

(dollars in thousands)

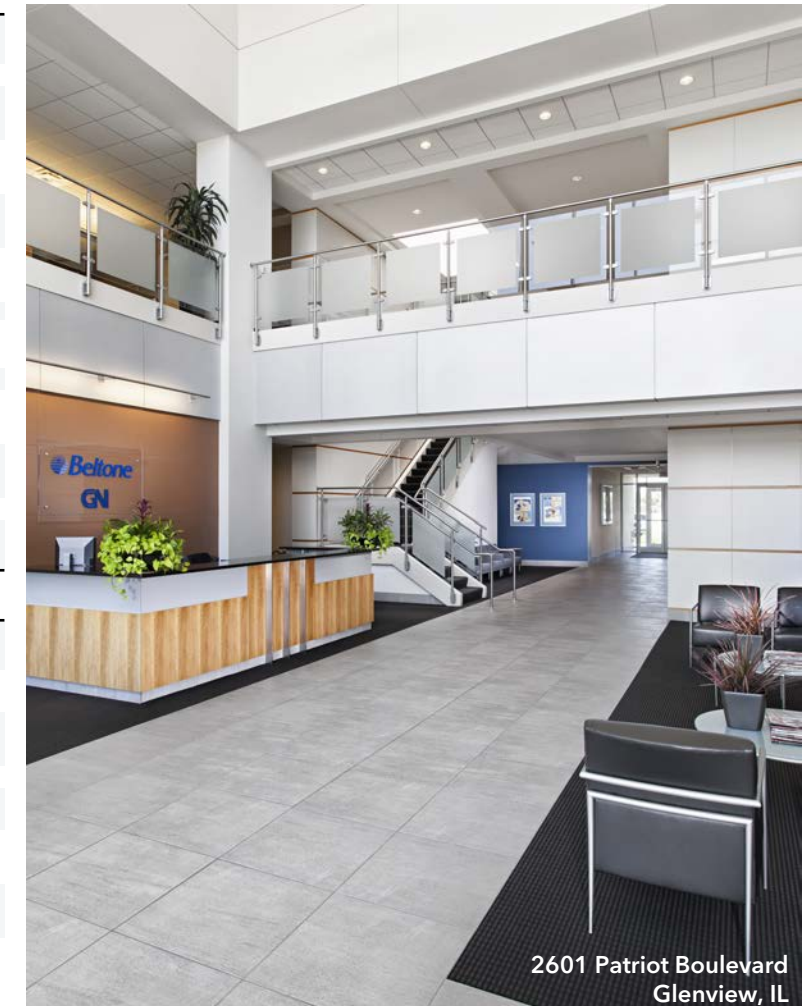


- (1) Represents Secured Fixed Rate Debt payments.
- (2) We prepaid \$15,273 of this debt in July 2022.
- (3) Represents outstanding borrowings under our revolving credit facility as of June 30, 2022. Pursuant to our credit agreement, the borrowing capacity under our revolving credit facility will be reduced to \$586,373 in January 2023 and as such, partial repayment of our revolving credit facility will be required by that time.
- (4) Includes \$5,999 of finance lease obligations due through April 2026.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Leverage Ratios:					
Net debt / total gross assets	28.4%	25.2%	32.3%	39.8%	38.9%
Net debt / gross book value of real estate assets	32.7%	31.3%	37.5%	43.0%	42.5%
Secured debt / total assets	12.3%	11.3%	13.1%	9.8%	9.6%
Variable rate debt / net debt	31.2%	32.9%	29.6%	22.6%	22.9%
Coverage Ratios:					
Net debt / annualized Adjusted EBITDAre	11.6x	13.5x	12.9x	13.9x	9.9x
Adjusted EBITDAre / interest expense	0.9x	0.7x	0.8x	1.0x	1.3x
	As of and For the Trailing Twelve Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Public Debt Covenants:					
<i>Maintenance Covenant</i>					
Total unencumbered assets / unsecured debt - required minimum 150.0%	266.9%	227.5%	238.7%	232.7%	231.8%
<i>Incurrence Covenants</i>					
Total debt / adjusted total assets - allowable maximum 60.0%	39.4%	42.2%	43.7%	47.8%	47.5%
Secured debt / adjusted total assets - allowable maximum 40.0%	9.6%	9.0%	10.2%	16.4%	16.3%
Consolidated income available for debt service / debt service - required minimum 1.50x ⁽¹⁾	0.85x	0.95x	1.07x	1.23x	1.31x

(1) As of June 30, 2022, our ratio of consolidated income available for debt service to debt service was below the requirement under our revolving credit facility and our public debt covenants, and as a result, we are unable to incur additional debt until this ratio is at or above the required level on a pro forma basis.



2601 Patriot Boulevard
Glenview, IL

Summary of Capital Expenditures

(dollars and sq. ft. in thousands, except per sq. ft. and unit data)

	For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Office Portfolio lease related costs	\$ 4,633	\$ 6,759	\$ 15,941	\$ 5,910	\$ 10,044
Office Portfolio building improvements	3,319	585	5,462	3,332	4,437
SHOP fixed assets and capital improvements	25,059	20,328	76,039	23,270	19,283
Recurring capital expenditures	<u>\$ 33,011</u>	<u>\$ 27,672</u>	<u>\$ 97,442</u>	<u>\$ 32,512</u>	<u>\$ 33,764</u>
Office Portfolio avg. sq. ft. during period	8,724	9,259	10,360	10,927	11,059
SHOP avg. units managed during period	25,082	25,217	25,385	25,424	26,193
Office Portfolio building improvements per avg. sq. ft. during period	\$ 0.38	\$ 0.06	\$ 0.53	\$ 0.30	\$ 0.40
SHOP fixed assets and capital improvements per avg. unit managed during period	\$ 999	\$ 806	\$ 2,995	\$ 915	\$ 736
Development, redevelopment and other activities - Office Portfolio	\$ 17,593	\$ 16,617	\$ 11,022	\$ 6,824	\$ 9,689
Development, redevelopment and other activities - SHOP	14,282	16,114	3,620	2,217	5,345
Total development, redevelopment and other activities	<u>\$ 31,875</u>	<u>\$ 32,731</u>	<u>\$ 14,642</u>	<u>\$ 9,041</u>	<u>\$ 15,034</u>

Office Portfolio Redevelopment Information as of June 30, 2022

(dollars in millions)

Project	Location	Type of Property	Square Feet ⁽¹⁾	Estimated Project Costs	Total Costs Incurred as of June 30, 2022	Estimated Completion Date
4 Maguire Road	Lexington, MA	Life Science	54,633	\$ 34.0	\$ 33.9	Q3 2022
101 West Ponce De Leon Avenue	Decatur, GA	Medical Office	112,440	\$ 8.1	\$ 5.2	Q3 2022
1415 West 3rd Street	Tempe, AZ	Life Science	82,257	\$ 11.0	\$ 1.8	Q4 2022
10030 North MacArthur Boulevard	Irving, TX	Medical Office	94,137	\$ 3.5	\$ 1.3	Q1 2023
2141 K Street NW	Washington, D.C.	Medical Office	82,592	\$ 56.5	\$ 0.6	Q1 2025



(1) Represents estimated square footage upon project completion.

Property Acquisitions / Dispositions Information Since January 1, 2022

(dollars and sq. ft. in thousands, except per sq. ft. data)

Acquisitions:

Date Acquired	Location	Type of Property	Number of Properties	Sq. Ft.	Gross Purchase Price	Gross Purchase Price per Sq. Ft.	Cap Rate ⁽¹⁾	Weighted Average Remaining Lease Term ⁽²⁾	Occupancy ⁽³⁾	Tenant
7/27/2022	Fremont, CA	Life Science	1	89	\$ 82,000	\$ 921	6.5%	11.5	100%	Alamar Biosciences, Inc.

Dispositions:

We have not disposed of any properties since January 1, 2022.

Joint Venture Activity:

Date Sold	Location	Type of Property	Number of Properties	DHC Ownership Retained	Gross Proceeds
1/28/2022	Various	Life Science / Medical Office	10	20%	\$ 653,300
6/28/2022	Boston, MA	Life Science	1	10%	108,000
Total			<u>11</u>		<u>\$ 761,300</u>

- (1) Represents the ratio of the estimated GAAP based annual rental income, excluding the impact of above and below market lease amortization, less estimated annual property operating expenses, if any, and excluding depreciation and amortization expense, to the gross purchase price on the date of acquisition, including the principal amount of any assumed debt and excluding acquisition costs.
- (2) Weighted average remaining lease term based on rental income at the time of acquisition.
- (3) Occupancy based on leasable square feet as of the acquisition date.

Investments in Unconsolidated Joint Ventures ⁽¹⁾

As of June 30, 2022

(dollars in thousands)

Investments in Unconsolidated Joint Ventures

Joint Venture	Location	Type of Property	Number of Properties	Square Feet	Occupancy at June 30, 2022	Weighted Average Lease Term at June 30, 2022	DHC Ownership	DHC Carrying Value of Investment at June 30, 2022	Six Months Ended June 30, 2022	
									Joint Venture FFO	Joint Venture EBITDA
Seaport Innovation LLC	Boston, MA	Life Science	1	1,134,479	100%	6.6 years	10%	⁽²⁾ \$ 108,286	\$ 28,891 ⁽²⁾	\$ 40,083 ⁽²⁾
The LSMD Fund REIT LLC	Various	Medical Office / Life Science	10	1,068,763	97%	6.3 years	20%	50,473	8,097 ⁽³⁾	14,807 ⁽³⁾
Total / Weighted Average			11	2,203,242	98%	6.5 years		\$ 158,759	\$ 36,988	\$ 54,890

Unconsolidated Debt

Joint Venture	Secured Debt ⁽⁴⁾	Coupon Rate	Maturity Date	Principal Balance at June 30, 2022 ⁽⁵⁾	DHC Ownership	DHC Share of Principal Balance at June 30, 2022 ⁽⁶⁾
Seaport Innovation LLC	Fixed Rate - 1 Property	3.530%	8/6/2026	\$ 620,000	10%	\$ 62,000
The LSMD Fund REIT LLC	Fixed Rate - 9 Properties	3.457%	2/11/2032	189,800	20%	37,960
The LSMD Fund REIT LLC	Variable Rate - 1 Property ⁽⁷⁾	3.179%	2/9/2024	266,825	20%	53,365
Total / Weighted Average		3.430%		\$ 1,076,625		\$ 153,325

(1) Our property list, including properties owned by these unconsolidated joint ventures, is available on our website.

(2) On June 28, 2022, we sold a 10% equity interest in this joint venture.

(3) Represents data for the period from January 28, 2022 (formation date of the joint venture) to June 30, 2022.

(4) The mortgage loans require interest-only payments until the respective maturity dates.

(5) Reflects the entire balance of the debt secured by the properties. We continue to provide certain guarantees on the debt secured by the Seaport Innovation LLC property.

(6) Reflects our proportionate share of the principal debt balances based on our ownership percentage of the joint ventures as of June 30, 2022.

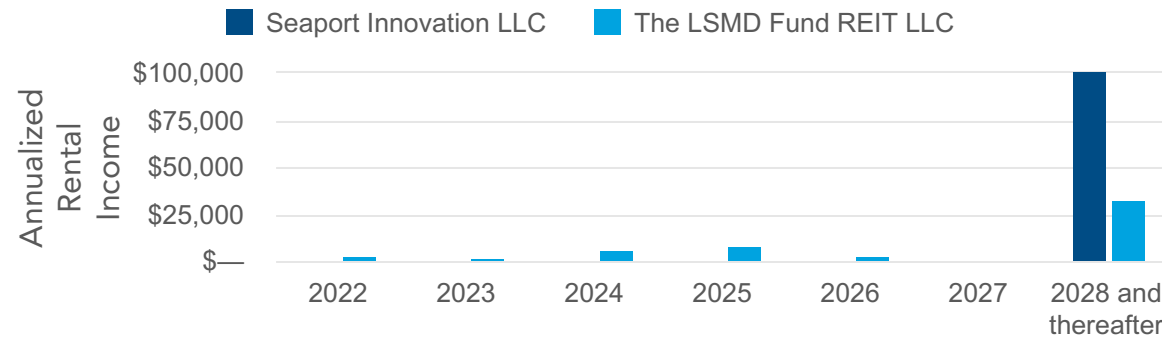
(7) Original maturity date of February 9, 2024 is subject to three, one year extension options and requires interest to be paid at SOFR plus a premium of 1.90%. Interest rate is as of June 30, 2022. The joint venture has also purchased an interest rate cap through February 2024 with a SOFR strike rate equal to 4.00%.

Investments in Unconsolidated Joint Ventures (continued)⁽¹⁾

As of June 30, 2022

(dollars in thousands)

Unconsolidated Joint Ventures Lease Expiration Schedule



Number of Leases Expiring	18	8	11	18	14	3	34
% of Total Annualized Rental Income Expiring	2.3%	1.3%	4.2 %	5.7%	2.3 %	0.2%	84.0%

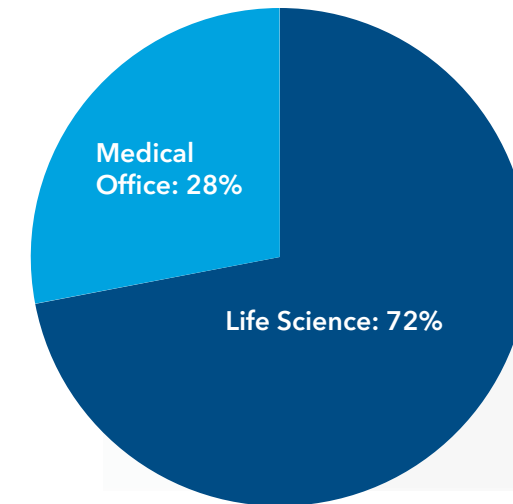
Major Tenants of Unconsolidated Joint Ventures

Joint Venture	Tenant	% of Annualized Rental Income of Joint Ventures
Seaport Innovation LLC	Vertex Pharmaceuticals Inc.	62.0%
The LSMD Fund REIT LLC	Cedars-Sinai Medical Center	10.8%
The LSMD Fund REIT LLC	Seattle Genetics, Inc.	2.7%
The LSMD Fund REIT LLC	Stryker Corporation	2.0%
The LSMD Fund REIT LLC	Complete Genomics, Inc.	1.9%

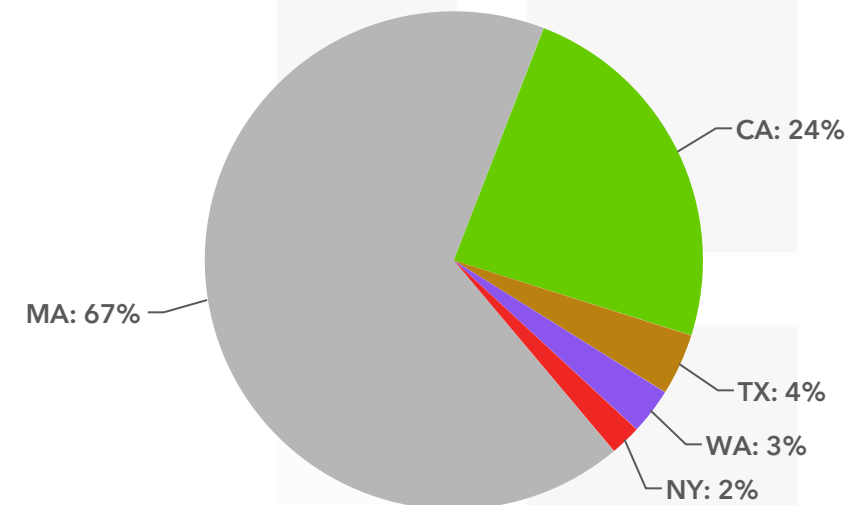
(1) Our property list, including properties owned by these unconsolidated joint ventures, is available on our website.

(2) Based on the aggregate annualized rental income of our unconsolidated joint ventures as of June 30, 2022.

Property Type⁽²⁾



Geographic Diversification⁽²⁾



Calculation and Reconciliation of NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended					For the Six Months Ended	
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	6/30/2022	6/30/2021
Calculation of NOI and Cash Basis NOI:							
Revenues:							
Rental income	\$ 62,522	\$ 65,285	\$ 102,034	\$ 101,403	\$ 102,394	\$ 127,807	\$ 205,152
Residents fees and services	250,506	245,448	234,697	236,013	243,947	495,954	503,913
Total revenues	313,028	310,733	336,731	337,416	346,341	623,761	709,065
Property operating expenses	(266,066)	(268,742)	(273,716)	(266,073)	(264,632)	(534,808)	(552,023)
NOI	46,962	41,991	63,015	71,343	81,709	88,953	157,042
Non-cash straight line rent adjustments included in rental income	(2,710)	(1,745)	(2,042)	(1,679)	(1,321)	(4,455)	(2,125)
Lease value amortization included in rental income	57	105	(1,648)	(1,848)	(1,849)	162	(3,715)
Non-cash amortization included in property operating expenses	(199)	(199)	(200)	(199)	(199)	(398)	(398)
Cash Basis NOI	\$ 44,110	\$ 40,152	\$ 59,125	\$ 67,617	\$ 78,340	\$ 84,262	\$ 150,804
Reconciliation of Net Income (Loss) to NOI and Cash Basis NOI:							
Net (loss) income	\$ (109,383)	\$ 240,423	\$ 366,758	\$ (88,004)	\$ (32,645)	\$ 131,040	\$ (98,828)
Equity in earnings of investees	(3,204)	(3,354)	—	—	—	(6,558)	—
Income tax (benefit) expense	(640)	1,472	406	595	191	832	429
Loss on modification or early extinguishment of debt	29,560	483	—	—	370	30,043	2,410
Interest expense	55,975	57,131	63,518	64,493	67,657	113,106	127,748
Interest and other income	(2,266)	(395)	(786)	(976)	(16,038)	(2,661)	(18,873)
Losses on equity investments, net	10,157	8,553	15,289	14,755	3,849	18,710	12,188
Loss (gain) on sale of properties	686	(327,794)	(461,434)	(200)	(30,760)	(327,108)	(30,638)
Impairment of assets	—	—	—	—	—	—	(174)
Acquisition and certain other transaction related costs	609	928	2,327	3,108	12,071	1,537	12,071
General and administrative	7,207	7,285	8,549	8,870	9,126	14,492	16,668
Depreciation and amortization	58,261	57,259	68,388	68,702	67,888	115,520	134,041
NOI	46,962	41,991	63,015	71,343	81,709	88,953	157,042
Non-cash straight line rent adjustments included in rental income	(2,710)	(1,745)	(2,042)	(1,679)	(1,321)	(4,455)	(2,125)
Lease value amortization included in rental income	57	105	(1,648)	(1,848)	(1,849)	162	(3,715)
Non-cash amortization included in property operating expenses	(199)	(199)	(200)	(199)	(199)	(398)	(398)
Cash Basis NOI	\$ 44,110	\$ 40,152	\$ 59,125	\$ 67,617	\$ 78,340	\$ 84,262	\$ 150,804

NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended			For the Six Months Ended		
	6/30/2022	6/30/2021	% Change	6/30/2022	6/30/2021	% Change
<u>NOI:</u>						
Life Science	\$ 9,488	\$ 31,968	(70.3)%	\$ 16,779	\$ 64,056	(73.8)%
Medical Office	21,096	29,515	(28.5)%	45,355	59,457	(23.7)%
Total Office Portfolio	30,584	61,483	(50.3)%	62,134	123,513	(49.7)%
SHOP	6,466	10,636	(39.2)%	6,619	14,504	(54.4)%
Non-Segment	9,912	9,590	3.4 %	20,200	19,025	6.2 %
Total	<u>\$ 46,962</u>	<u>\$ 81,709</u>	(42.5)%	<u>\$ 88,953</u>	<u>\$ 157,042</u>	(43.4)%
<u>Cash Basis NOI:</u>						
Life Science	\$ 7,574	\$ 28,847	(73.7)%	\$ 14,023	\$ 57,888	(75.8)%
Medical Office	20,353	29,007	(29.8)%	43,866	58,892	(25.5)%
Total Office Portfolio	27,927	57,854	(51.7)%	57,889	116,780	(50.4)%
SHOP	6,466	10,636	(39.2)%	6,619	14,504	(54.4)%
Non-Segment	9,717	9,850	(1.4)%	19,754	19,520	1.2 %
Total	<u>\$ 44,110</u>	<u>\$ 78,340</u>	(43.7)%	<u>\$ 84,262</u>	<u>\$ 150,804</u>	(44.1)%

Same Property NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended			For the Six Months Ended		
	6/30/2022	6/30/2021	% Change	6/30/2022	6/30/2021	% Change
NOI:						
Life Science	\$ 7,320	\$ 7,195	1.7 %	\$ 13,688	\$ 14,286	(4.2)%
Medical Office	21,534	21,853	(1.5)%	43,727	43,711	0.0 %
Total Office Portfolio	28,854	29,048	(0.7)%	57,415	57,997	(1.0)%
SHOP	12,878	12,464	3.3 %	22,363	22,822	(2.0)%
Non-Segment	10,107	9,590	5.4 %	20,200	19,025	6.2 %
Total	<u>\$ 51,839</u>	<u>\$ 51,102</u>	1.4 %	<u>\$ 99,978</u>	<u>\$ 99,844</u>	0.1 %
Cash Basis NOI:						
Life Science	\$ 7,248	\$ 7,263	(0.2)%	\$ 13,012	\$ 14,411	(9.7)%
Medical Office	20,771	21,474	(3.3)%	42,357	43,211	(2.0)%
Total Office Portfolio	28,019	28,737	(2.5)%	55,369	57,622	(3.9)%
SHOP	12,878	12,464	3.3 %	22,363	22,822	(2.0)%
Non-Segment	9,891	9,850	0.4 %	19,753	19,519	1.2 %
Total	<u>\$ 50,788</u>	<u>\$ 51,051</u>	(0.5)%	<u>\$ 97,485</u>	<u>\$ 99,963</u>	(2.5)%

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment

(dollars in thousands)

Office Portfolio

Calculation of NOI and Cash Basis NOI:	For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Rental income	\$ 52,610	\$ 54,997	\$ 89,950	\$ 91,520	\$ 92,804
Property operating expenses	(22,026)	(23,447)	(32,313)	(32,386)	(31,321)
NOI	<u>\$ 30,584</u>	<u>\$ 31,550</u>	<u>\$ 57,637</u>	<u>\$ 59,134</u>	<u>\$ 61,483</u>
NOI	\$ 30,584	\$ 31,550	\$ 57,637	\$ 59,134	\$ 61,483
Less:					
Non-cash straight line rent adjustments included in rental income	2,532	1,511	1,827	1,800	1,597
Lease value amortization included in rental income	(74)	(122)	1,631	1,830	1,833
Non-cash amortization included in property operating expenses	199	199	200	199	199
Cash Basis NOI	<u>\$ 27,927</u>	<u>\$ 29,962</u>	<u>\$ 53,979</u>	<u>\$ 55,305</u>	<u>\$ 57,854</u>
Reconciliation of NOI to Same Property NOI:					
NOI	\$ 30,584	\$ 31,550	\$ 57,637	\$ 59,134	\$ 61,483
Less:					
NOI of properties not included in same property results	1,730	2,990	28,834	31,162	32,435
Same Property NOI	<u>\$ 28,854</u>	<u>\$ 28,560</u>	<u>\$ 28,803</u>	<u>\$ 27,972</u>	<u>\$ 29,048</u>
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	\$ 28,854	\$ 28,560	\$ 28,803	\$ 27,972	\$ 29,048
Less:					
Non-cash straight line rent adjustments included in rental income	772	1,166	1,209	923	347
Lease value amortization included in rental income	(74)	(132)	(144)	(137)	(135)
Non-cash amortization included in property operating expenses	137	174	99	99	99
Same Property Cash Basis NOI	<u>\$ 28,019</u>	<u>\$ 27,352</u>	<u>\$ 27,639</u>	<u>\$ 27,087</u>	<u>\$ 28,737</u>

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

(dollars in thousands)

SHOP

Calculation of NOI and Cash Basis NOI:	For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Residents fees and services	\$ 250,506	\$ 245,448	\$ 234,697	\$ 236,013	\$ 243,947
Property operating expenses	(244,040)	(245,295)	(241,403)	(233,687)	(233,311)
NOI / Cash Basis NOI	<u>\$ 6,466</u>	<u>\$ 153</u>	<u>\$ (6,706)</u>	<u>\$ 2,326</u>	<u>\$ 10,636</u>
Reconciliation of NOI / Cash Basis NOI to Same Property NOI / Same Property Cash Basis NOI:					
NOI / Cash Basis NOI	\$ 6,466	\$ 153	\$ (6,706)	\$ 2,326	\$ 10,636
Less:					
NOI / Cash Basis NOI of properties not included in same property results	(6,412)	(9,332)	(9,545)	(5,000)	(1,828)
Same Property NOI / Same Property Cash Basis NOI	<u>\$ 12,878</u>	<u>\$ 9,485</u>	<u>\$ 2,839</u>	<u>\$ 7,326</u>	<u>\$ 12,464</u>

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

(dollars in thousands)

Non-Segment

Calculation of NOI and Cash Basis NOI:	For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Rental income	\$ 9,912	\$ 10,288	\$ 12,084	\$ 9,883	\$ 9,590
Property operating expenses	—	—	—	—	—
NOI	<u>\$ 9,912</u>	<u>\$ 10,288</u>	<u>\$ 12,084</u>	<u>\$ 9,883</u>	<u>\$ 9,590</u>
NOI	\$ 9,912	\$ 10,288	\$ 12,084	\$ 9,883	\$ 9,590
Less:					
Non-cash straight line rent adjustments included in rental income	178	234	215	(121)	(276)
Lease value amortization included in rental income	17	17	17	18	16
Non-cash amortization included in property operating expenses	—	—	—	—	—
Cash Basis NOI	<u>\$ 9,717</u>	<u>\$ 10,037</u>	<u>\$ 11,852</u>	<u>\$ 9,986</u>	<u>\$ 9,850</u>
Reconciliation of NOI to Same Property NOI:					
NOI	\$ 9,912	\$ 10,288	\$ 12,084	\$ 9,883	\$ 9,590
Less:					
NOI of properties not included in same property results	(195)	196	—	—	—
Same Property NOI	<u>\$ 10,107</u>	<u>\$ 10,092</u>	<u>\$ 12,084</u>	<u>\$ 9,883</u>	<u>\$ 9,590</u>
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	\$ 10,107	\$ 10,092	\$ 12,084	\$ 9,883	\$ 9,590
Less:					
Non-cash straight line rent adjustments included in rental income	199	213	215	(121)	(276)
Lease value amortization included in rental income	17	17	17	18	16
Non-cash amortization included in property operating expenses	—	—	—	—	—
Same Property Cash Basis NOI	<u>\$ 9,891</u>	<u>\$ 9,862</u>	<u>\$ 11,852</u>	<u>\$ 9,986</u>	<u>\$ 9,850</u>

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

(dollars in thousands)

Consolidated

Calculation of NOI and Cash Basis NOI:	For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Rental income / residents fees and services	\$ 313,028	\$ 310,733	\$ 336,731	\$ 337,416	\$ 346,341
Property operating expenses	(266,066)	(268,742)	(273,716)	(266,073)	(264,632)
NOI	<u>\$ 46,962</u>	<u>\$ 41,991</u>	<u>\$ 63,015</u>	<u>\$ 71,343</u>	<u>\$ 81,709</u>
NOI	\$ 46,962	\$ 41,991	\$ 63,015	\$ 71,343	\$ 81,709
Less:					
Non-cash straight line rent adjustments included in rental income	2,710	1,745	2,042	1,679	1,321
Lease value amortization included in rental income	(57)	(105)	1,648	1,848	1,849
Non-cash amortization included in property operating expenses	199	199	200	199	199
Cash Basis NOI	<u>\$ 44,110</u>	<u>\$ 40,152</u>	<u>\$ 59,125</u>	<u>\$ 67,617</u>	<u>\$ 78,340</u>
Reconciliation of NOI to Same Property NOI:					
NOI	\$ 46,962	\$ 41,991	\$ 63,015	\$ 71,343	\$ 81,709
Less:					
NOI of properties not included in same property results	(4,877)	(6,146)	19,289	26,162	30,607
Same Property NOI	<u>\$ 51,839</u>	<u>\$ 48,137</u>	<u>\$ 43,726</u>	<u>\$ 45,181</u>	<u>\$ 51,102</u>
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	\$ 51,839	\$ 48,137	\$ 43,726	\$ 45,181	\$ 51,102
Less:					
Non-cash straight line rent adjustments included in rental income	971	1,379	1,424	802	71
Lease value amortization included in rental income	(57)	(115)	(127)	(119)	(119)
Non-cash amortization included in property operating expenses	137	174	99	99	99
Same Property Cash Basis NOI	<u>\$ 50,788</u>	<u>\$ 46,699</u>	<u>\$ 42,330</u>	<u>\$ 44,399</u>	<u>\$ 51,051</u>

Calculation and Reconciliation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended					For the Six Months Ended	
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	6/30/2022	6/30/2021
Net (loss) income	\$ (109,383)	\$ 240,423	\$ 366,758	\$ (88,004)	\$ (32,645)	\$ 131,040	\$ (98,828)
Interest expense	55,975	57,131	63,518	64,493	67,657	113,106	127,748
Income tax (benefit) expense	(640)	1,472	406	595	191	832	429
Depreciation and amortization	58,261	57,259	68,388	68,702	67,888	115,520	134,041
EBITDA	4,213	356,285	499,070	45,786	103,091	360,498	163,390
Loss (gain) on sale of properties	686	(327,794)	(461,434)	(200)	(30,760)	(327,108)	(30,638)
Impairment of assets	—	—	—	—	—	—	(174)
Equity in earnings of unconsolidated joint ventures	(3,204)	(3,354)	—	—	—	(6,558)	—
Share of EBITDAre from unconsolidated joint ventures	5,709	5,232	384	—	—	10,941	—
Adjustments to reflect our share of EBITDAre attributable to an equity method investment	(1,446)	(1,816)	(2,468)	(2,345)	(2,673)	(3,262)	(363)
EBITDAre	5,958	28,553	35,552	43,241	69,658	34,511	132,215
General and administrative expense paid in common shares	665	315	315	742	675	980	903
Acquisition and certain other transaction related costs	609	928	2,327	3,108	12,071	1,537	12,071
Loss on modification or early extinguishment of debt	29,560	483	—	—	370	30,043	2,410
Losses on equity securities, net	10,157	8,553	15,289	14,755	3,849	18,710	12,188
Adjustments to reflect our share of Adjusted EBITDAre attributable to an equity method investment	1,026	65	392	1,234	1,166	1,091	1,205
Adjusted EBITDAre	\$ 47,975	\$ 38,897	\$ 53,875	\$ 63,080	\$ 87,789	\$ 86,872	\$ 160,992

Calculation and Reconciliation of FFO and Normalized FFO Attributable to Common Shareholders

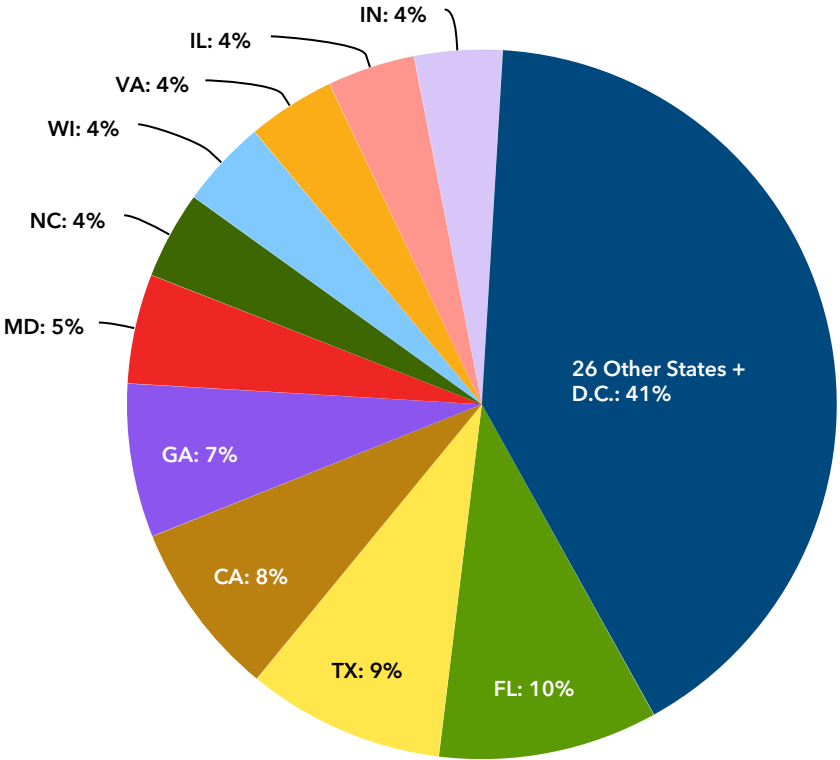
(amounts in thousands, except per share data)

	For the Three Months Ended					For the Six Months Ended	
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	6/30/2022	6/30/2021
Net (loss) income attributable to common shareholders	\$ (109,383)	\$ 240,423	\$ 365,585	\$ (89,343)	\$ (34,222)	\$ 131,040	\$ (101,727)
Depreciation and amortization	58,261	57,259	68,388	68,702	67,888	115,520	134,041
Loss (gain) on sale of properties	686	(327,794)	(461,434)	(200)	(30,760)	(327,108)	(30,638)
Impairment of assets	—	—	—	—	—	—	(174)
Losses on equity securities, net	10,157	8,553	15,289	14,755	3,849	18,710	12,188
FFO adjustments attributable to noncontrolling interest	—	—	(4,763)	(5,273)	(5,275)	—	(10,548)
Equity in earnings of unconsolidated joint ventures	(3,204)	(3,354)	—	—	—	(6,558)	—
Share of FFO from unconsolidated joint ventures	3,704	3,675	273	—	—	7,379	—
Adjustments to reflect our share of FFO attributable to an equity method investment	(1,466)	(1,932)	(2,608)	(2,440)	(3,005)	(3,398)	(969)
FFO attributable to common shareholders	(41,245)	(23,170)	(19,270)	(13,799)	(1,525)	(64,415)	2,173
Acquisition and certain other transaction related costs	609	928	2,327	3,108	12,071	1,537	12,071
Loss on modification or early extinguishment of debt	29,560	483	—	—	370	30,043	2,410
Adjustments to reflect our share of Normalized FFO attributable to an equity method investment	681	(142)	448	1,242	1,299	539	1,384
Normalized FFO attributable to common shareholders	<u>\$ (10,395)</u>	<u>\$ (21,901)</u>	<u>\$ (16,495)</u>	<u>\$ (9,449)</u>	<u>\$ 12,215</u>	<u>\$ (32,296)</u>	<u>\$ 18,038</u>
Weighted average common shares outstanding (basic)	238,197	238,149	238,149	238,008	237,871	238,173	237,853
Weighted average common shares outstanding (diluted)	238,197	238,198	238,149	238,008	237,871	238,173	237,853
Per Common Share Data (basic and diluted):							
Net (loss) income attributable to common shareholders	\$ (0.46)	\$ 1.01	\$ 1.54	\$ (0.38)	\$ (0.14)	\$ 0.55	\$ (0.43)
FFO attributable to common shareholders	\$ (0.17)	\$ (0.10)	\$ (0.08)	\$ (0.06)	\$ (0.01)	\$ (0.27)	\$ 0.01
Normalized FFO attributable to common shareholders	\$ (0.04)	\$ (0.09)	\$ (0.07)	\$ (0.04)	\$ 0.05	\$ (0.14)	\$ 0.08

Portfolio Summary by Geographic Diversification and Property Type

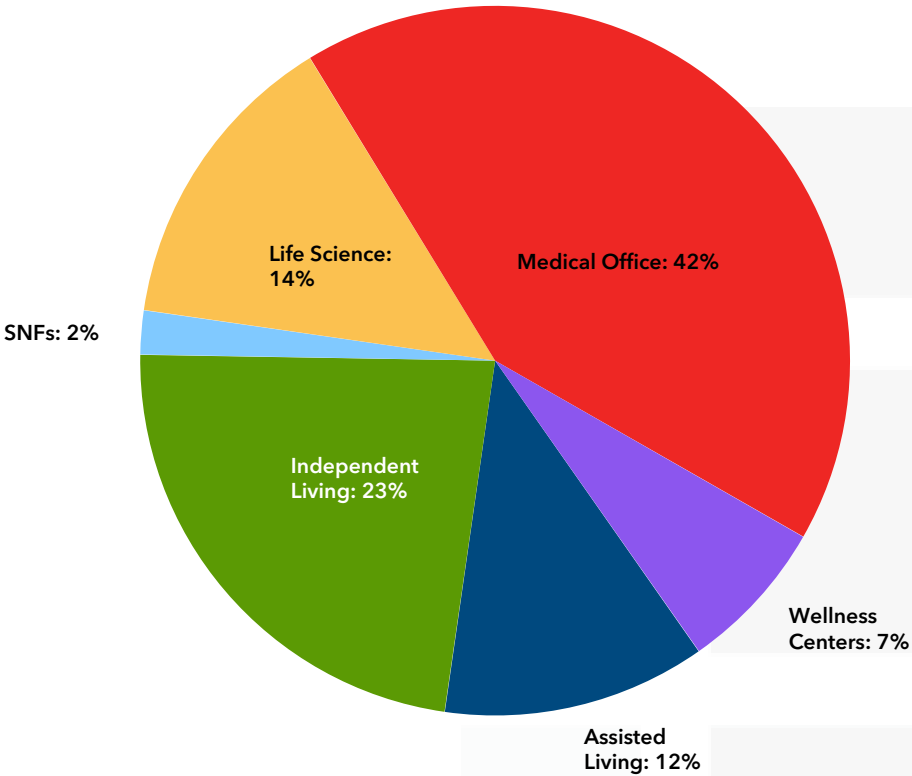
Geographic Diversification

(based on Gross Book Value of Real Estate Assets as of June 30, 2022)



Property Type^{(1) (2)}

(based on Q2 2022 Same Property NOI)



(1) Senior living communities are categorized by the type of living units which constitute a majority of the living units at the community.
(2) Memory care communities are classified as assisted living communities.

Portfolio Summary

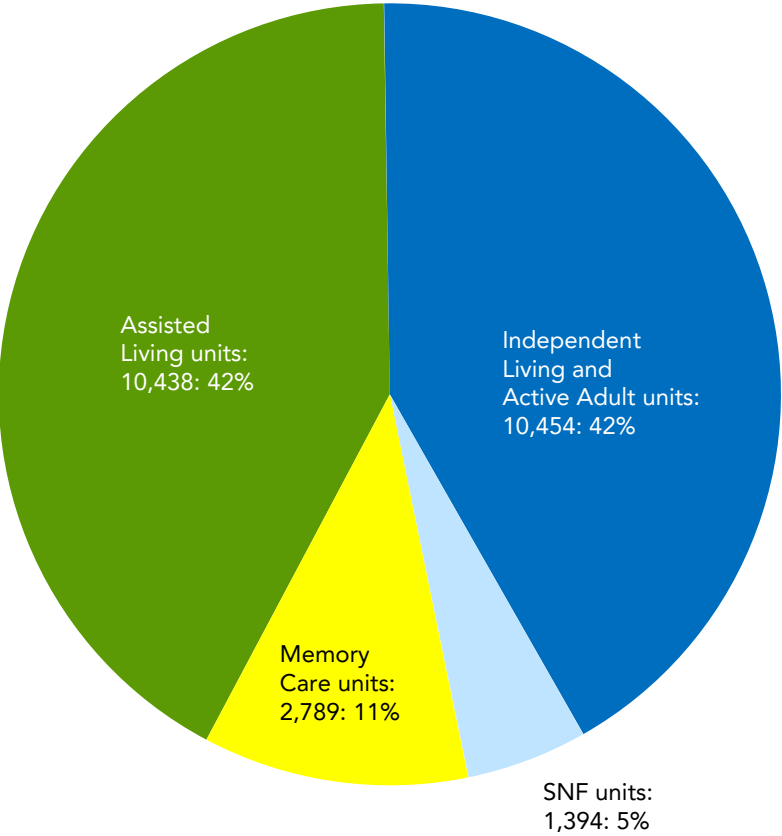
As of June 30, 2022

(dollars in thousands, except investment per square foot or unit)

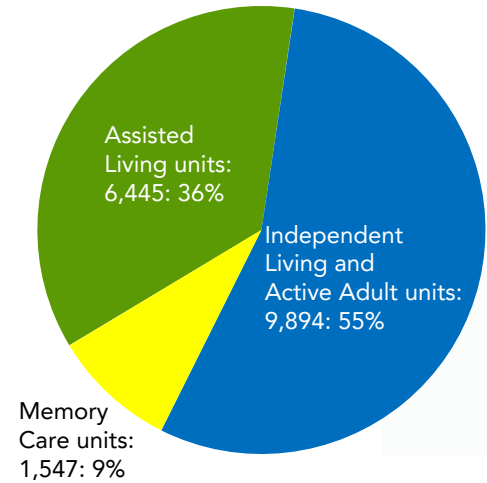
	Number of Properties	Square Feet or Number of Units	Gross Book Value of Real Estate Assets	% of Total Gross Book Value of Real Estate Assets	Investment Per Square Foot or Unit	Q2 2022 Revenues	% of Q2 2022 Total Revenues	Q2 2022 NOI	% of Q2 2022 Total NOI
Life science	23	2,532,837	\$ 708,825	10.3 %	\$ 280	\$ 15,223	4.9 %	\$ 9,488	20.2 %
Medical office	81	6,190,029	1,484,870	21.7 %	\$ 240	37,387	11.9 %	21,096	44.9 %
Subtotal Office Portfolio	104	8,722,866 sq. ft.	2,193,695	32.0 %	\$ 251	52,610	16.8 %	30,584	65.1 %
SHOP	234	25,075 units	4,226,840	61.7 %	\$ 168,568	250,506	80.0 %	6,466	13.8 %
Triple net leased senior living communities	30	2,327 units	252,961	3.7 %	\$ 108,707	6,114	2.0 %	6,114	13.0 %
Wellness centers	10	812,000 sq. ft.	178,110	2.6 %	\$ 219	3,798	1.2 %	3,798	8.1 %
Total	378		\$ 6,851,606	100.0 %		\$ 313,028	100.0 %	\$ 46,962	100.0 %

SHOP Unit Count

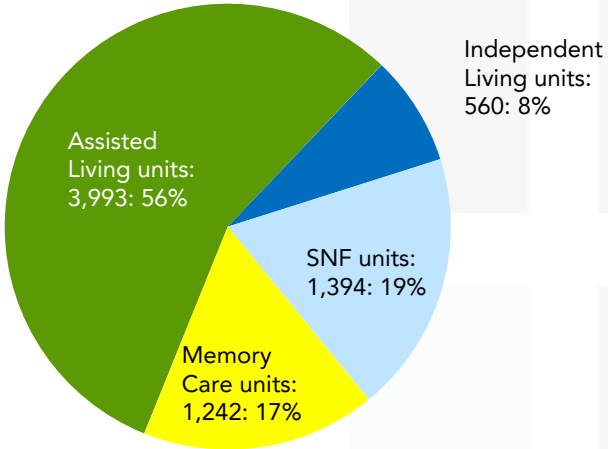
SHOP Unit Count as of June 30, 2022



Five Star Managed Communities Unit
Count as of June 30, 2022



Other Operator Managed Communities Unit
Count as of June 30, 2022



Rent Coverage and Occupancy

Rent Coverage ⁽¹⁾:

	For the Twelve Months Ended				
	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
Triple net leased senior living communities	1.18 x	1.21 x	1.21 x	1.27 x	1.38 x
Wellness centers	1.34 x	1.12 x	1.23 x	1.17 x	0.94 x
Total	1.23 x	1.18 x	1.21 x	1.24 x	1.24 x

Occupancy - Triple net leased senior living communities ⁽¹⁾:

	For the Twelve Months Ended				
	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
Occupancy	78.8 %	77.4 %	76.5 %	76.3 %	77.7 %
Same Property Occupancy ⁽²⁾	78.8 %	77.4 %	76.5 %	76.3 %	77.7 %

- (1) All tenant operating data presented is based upon the operating results provided by our tenants for the indicated periods. We report our operating data one quarter in arrears as this is the most recent prior period for which tenant operating results are available to us from our tenants. We have not independently verified tenant operating data.
- (2) Same property occupancy includes those properties classified as same property for the three months ended June 30, 2022 for all periods presented.

Office Portfolio and Same Property - Results of Operations

Three Months Ended June 30, 2022 and 2021

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended June 30, 2022			As of and For the Three Months Ended June 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	23	81	104	30	88	118
Square Feet	2,533	6,190	8,723	4,130	6,797	10,927
Occupancy	94.9 %	85.4 %	88.1 %	93.5 %	89.5 %	91.0 %
Rental Income	\$ 15,223	\$ 37,387	\$ 52,610	\$ 43,611	\$ 49,193	\$ 92,804
NOI	\$ 9,488	\$ 21,096	\$ 30,584	\$ 31,968	\$ 29,515	\$ 61,483
Cash Basis NOI	\$ 7,574	\$ 20,353	\$ 27,927	\$ 28,847	\$ 29,007	\$ 57,854
NOI Margin %	62.3 %	56.4 %	58.1 %	73.3 %	60.0 %	66.3 %
Cash Basis NOI Margin %	56.7 %	55.3 %	55.7 %	71.1 %	59.4 %	64.7 %
NOI % Change	(70.3)%	(28.5)%	(50.3)%			
Cash Basis NOI % Change	(73.7)%	(29.8)%	(51.7)%			

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended June 30, 2022			As of and For the Three Months Ended June 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	18	77	95	18	77	95
Square Feet	2,210	5,809	8,019	2,210	5,810	8,020
Occupancy	94.1 %	90.2 %	91.2 %	95.3 %	90.4 %	91.8 %
Rental Income	\$ 12,008	\$ 36,671	\$ 48,679	\$ 11,739	\$ 36,474	\$ 48,213
NOI	\$ 7,320	\$ 21,534	\$ 28,854	\$ 7,195	\$ 21,853	\$ 29,048
Cash Basis NOI	\$ 7,248	\$ 20,771	\$ 28,019	\$ 7,263	\$ 21,474	\$ 28,737
NOI Margin %	61.0 %	58.7 %	59.3 %	61.3 %	59.9 %	60.2 %
Cash Basis NOI Margin %	60.6 %	57.7 %	58.4 %	61.4 %	59.4 %	59.9 %
NOI % Change	1.7 %	(1.5)%	(0.7)%			
Cash Basis NOI % Change	(0.2)%	(3.3)%	(2.5)%			

Office Portfolio and Same Property - Results of Operations (continued)

Six Months Ended June 30, 2022 and 2021

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Six Months Ended June 30, 2022			As of and For the Six Months Ended June 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	23	81	104	30	88	118
Square Feet	2,533	6,190	8,723	4,130	6,797	10,927
Occupancy	94.9 %	85.4 %	88.1 %	93.5 %	89.5 %	91.0 %
Rental Income	\$ 28,982	\$ 78,625	\$ 107,607	\$ 87,626	\$ 98,501	\$ 186,127
NOI	\$ 16,779	\$ 45,355	\$ 62,134	\$ 64,056	\$ 59,457	\$ 123,513
Cash Basis NOI	\$ 14,023	\$ 43,866	\$ 57,889	\$ 57,888	\$ 58,892	\$ 116,780
NOI Margin %	57.9 %	57.7 %	57.7 %	73.1 %	60.4 %	66.4 %
Cash Basis NOI Margin %	53.3 %	56.6 %	55.8 %	70.9 %	60.0 %	65.0 %
NOI % Change	(73.8)%	(23.7)%	(49.7)%			
Cash Basis NOI % Change	(75.8)%	(25.5)%	(50.4)%			

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Six Months Ended June 30, 2022			As of and For the Six Months Ended June 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	18	77	95	18	77	95
Square Feet	2,210	5,809	8,019	2,210	5,810	8,020
Occupancy	94.1 %	90.2 %	91.2 %	95.3 %	90.4 %	91.8 %
Rental Income	\$ 23,504	\$ 73,603	\$ 97,107	\$ 23,596	\$ 72,740	\$ 96,336
NOI	\$ 13,688	\$ 43,727	\$ 57,415	\$ 14,286	\$ 43,711	\$ 57,997
Cash Basis NOI	\$ 13,012	\$ 42,357	\$ 55,369	\$ 14,411	\$ 43,211	\$ 57,622
NOI Margin %	58.2 %	59.4 %	59.1 %	60.5 %	60.1 %	60.2 %
Cash Basis NOI Margin %	56.9 %	58.4 %	58.1 %	60.7 %	59.7 %	59.9 %
NOI % Change	(4.2)%	0.0 %	(1.0)%			
Cash Basis NOI % Change	(9.7)%	(2.0)%	(3.9)%			

Office Portfolio and Same Property - Results of Operations (continued)

Trailing Five Quarters

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Number of Buildings	104	104	116	118	118
Square Feet	8,723	8,724	9,793	10,927	10,927
Occupancy	88.1 %	89.3 %	91.3 %	91.3 %	91.0 %
Rental Income	\$ 52,610	\$ 54,997	\$ 89,950	\$ 91,520	\$ 92,804
NOI	\$ 30,584	\$ 31,550	\$ 57,637	\$ 59,134	\$ 61,483
Cash Basis NOI	\$ 27,927	\$ 29,962	\$ 53,979	\$ 55,305	\$ 57,854
NOI Margin %	58.1 %	57.4 %	64.1 %	64.6 %	66.3 %
Cash Basis NOI Margin %	55.7 %	55.9 %	62.4 %	62.9 %	64.7 %
Sequential NOI % Change	(3.1)%	(45.3)%	(2.5)%	(3.8)%	
Sequential Cash Basis NOI % Change	(6.8)%	(44.5)%	(2.4)%	(4.4)%	
Year Over Year NOI % Change	(50.3)%				
Year Over Year Cash Basis NOI % Change	(51.7)%				

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS ⁽¹⁾

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Number of Buildings	95	95	95	95	95
Square Feet	8,019	8,020	8,020	8,020	8,020
Occupancy	91.2 %	92.5 %	92.4 %	91.5 %	91.8 %
Rental Income	\$ 48,679	\$ 48,428	\$ 48,467	\$ 47,517	\$ 48,213
NOI	\$ 28,854	\$ 28,560	\$ 28,803	\$ 27,972	\$ 29,048
Cash Basis NOI	\$ 28,019	\$ 27,352	\$ 27,639	\$ 27,087	\$ 28,737
NOI Margin %	59.3 %	59.0 %	59.4 %	58.9 %	60.2 %
Cash Basis NOI Margin %	58.4 %	57.7 %	58.3 %	58.0 %	59.9 %
Sequential NOI % Change	1.0 %	(0.8)%	3.0 %	(3.7)%	
Sequential Cash Basis NOI % Change	2.4 %	(1.0)%	2.0 %	(5.7)%	
Year Over Year NOI % Change	(0.7)%				
Year Over Year Cash Basis NOI % Change	(2.5)%				

(1) Same property includes those properties classified as same property for the three months ended June 30, 2022 for all periods presented.

SHOP Segment and Same Property - Results of Operations

Trailing Five Quarters

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Number of Properties	234	234	235	235	235
Number of Units	25,075	25,088	25,345	25,424	25,423
Occupancy	73.6 %	73.0 %	72.5 %	71.3 %	70.9 %
Average Monthly Rate	\$ 4,480	\$ 4,472	\$ 4,189	\$ 4,234	\$ 4,307
Year Over Year Average Monthly Rate % Change	4.0 %				
Residents Fees and Services	\$ 250,506	\$ 245,448	\$ 234,697	\$ 236,013	\$ 243,947
Property Operating Expenses	(244,040)	(245,295)	(241,403)	(233,687)	(233,311)
NOI	\$ 6,466	\$ 153	\$ (6,706)	\$ 2,326	\$ 10,636
NOI Margin %	2.6 %	0.1 %	(2.9)%	1.0 %	4.4 %
Sequential NOI % Change	4,126.1 %	102.3 %	(388.3)%	(78.1)%	
Year Over Year NOI % Change	(39.2)%				

SHOP SEGMENT SAME PROPERTY - RESULTS OF OPERATIONS ⁽¹⁾

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Number of Properties	120	120	120	120	120
Number of Units	17,886	17,886	17,886	17,886	17,886
Occupancy	74.1 %	74.1 %	74.1 %	73.4 %	72.9 %
Average Monthly Rate	\$ 4,109	\$ 4,084	\$ 3,833	\$ 3,937	\$ 4,018
Year Over Year Average Monthly Rate % Change	2.3 %				
Residents Fees and Services	\$ 165,182	\$ 162,540	\$ 155,794	\$ 158,512	\$ 168,655
Property Operating Expenses	(152,304)	(153,055)	(152,955)	(151,186)	(156,191)
NOI	\$ 12,878	\$ 9,485	\$ 2,839	\$ 7,326	\$ 12,464
NOI Margin %	7.8 %	5.8 %	1.8 %	4.6 %	7.4 %
Sequential NOI % Change	35.8 %	234.1 %	(61.2)%	(41.2)%	
Year Over Year NOI % Change	3.3 %				

(1) Same property includes those properties classified as same property for the three months ended June 30, 2022 for all periods presented.

SHOP Segment - Five Star Managed and Other Operator Managed Communities Results of Operations

Three Months Ended June 30, 2022 and 2021

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended June 30, 2022			As of and For the Three Months Ended June 30, 2021		
	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment	Five Star Managed Communities	Other Operator Managed Communities ⁽¹⁾	Total SHOP Segment
Number of Properties	120	114	234	120	115	235
Number of Units	17,886	7,189	25,075	17,898	7,525	25,423
Occupancy	74.1 %	72.4 %	73.6 %	72.7 %	66.5 %	70.9 %
Average Monthly Rate	\$ 4,108	\$ 5,431	\$ 4,480	\$ 4,058	\$ 4,957	\$ 4,307
Average Monthly Rate % Change	1.2 %	9.6 %	4.0 %			
Residents Fees and Services	\$ 165,157	\$ 85,349	\$ 250,506	\$ 168,682	\$ 75,265	\$ 243,947
Property Operating Expenses	(152,308)	(91,732)	(244,040)	(156,300)	(77,011)	(233,311)
NOI	<u>\$ 12,849</u>	<u>\$ (6,383)</u>	<u>\$ 6,466</u>	<u>\$ 12,382</u>	<u>\$ (1,746)</u>	<u>\$ 10,636</u>
NOI Margin %	7.8 %	(7.5)%	2.6 %	7.3 %	(2.3)%	4.4 %
NOI % Change	3.8 %	(265.6)%	(39.2)%			

(1) Five Star managed 108 of these communities during the three months ended June 30, 2021.

SHOP Segment - Five Star Managed and Other Operator Managed Communities Results of Operations

Six Months Ended June 30, 2022 and 2021

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Six Months Ended June 30, 2022			As of and For the Six Months Ended June 30, 2021		
	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment	Five Star Managed Communities	Other Operator Managed Communities ⁽¹⁾	Total SHOP Segment
Number of Properties	120	114	234	120	115	235
Number of Units	17,886	7,189	25,075	17,898	7,525	25,423
Occupancy	74.1 %	71.3 %	73.3 %	71.8 %	66.1 %	70.2 %
Average Monthly Rate	\$ 4,096	\$ 5,463	\$ 4,476	\$ 4,273	\$ 4,992	\$ 4,467
Average Monthly Rate % Change	(4.1)%	9.4 %	0.2 %			
Residents Fees and Services	\$ 327,704	\$ 168,250	\$ 495,954	\$ 354,149	\$ 149,764	\$ 503,913
Property Operating Expenses	(305,392)	(183,943)	(489,335)	(331,119)	(158,290)	(489,409)
NOI	<u>\$ 22,312</u>	<u>\$ (15,693)</u>	<u>\$ 6,619</u>	<u>\$ 23,030</u>	<u>\$ (8,526)</u>	<u>\$ 14,504</u>
NOI Margin %	6.8 %	(9.3)%	1.3 %	6.5 %	(5.7)%	2.9 %
NOI % Change	(3.1)%	(84.1)%	(54.4)%			

(1) Five Star managed 108 of these communities during the six months ended June 30, 2021.

Office Portfolio Leasing Summary ⁽¹⁾⁽²⁾

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and For the Three Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Buildings	104	104	116	118	118
Total square feet	8,723	8,724	9,793	10,927	10,927
Occupancy	88.1 %	89.3 %	91.3 %	91.3 %	91.0 %
Leasing Activity (sq. ft.):					
New leases	52	120	171	101	65
Renewals	211	81	1,181	271	567
Total	<u>263</u>	<u>201</u>	<u>1,352</u>	<u>372</u>	<u>632</u>
Rental Rate on New and Renewed Leases per Sq. Ft.:					
New leases	\$ 34.91	\$ 25.72	\$ 42.97	\$ 58.73	\$ 45.63
Renewals	\$ 20.25	\$ 29.64	\$ 21.11	\$ 29.76	\$ 38.05
Average net annual rent	\$ 23.15	\$ 27.30	\$ 23.88	\$ 37.61	\$ 38.83
Leasing Costs and Concession Commitments:					
New leases	\$ 2,986	\$ 11,330	\$ 19,189	\$ 15,645	\$ 5,191
Renewals	2,350	1,208	16,422	8,647	21,241
Total	<u>\$ 5,336</u>	<u>\$ 12,538</u>	<u>\$ 35,611</u>	<u>\$ 24,292</u>	<u>\$ 26,432</u>
Leasing Costs and Concession Commitments per Sq. Ft.:					
New leases	\$ 57.47	\$ 94.34	\$ 112.31	\$ 155.24	\$ 80.38
Renewals	\$ 11.13	\$ 14.91	\$ 13.90	\$ 31.87	\$ 37.43
All new and renewed leases	\$ 20.28	\$ 62.35	\$ 26.33	\$ 65.28	\$ 41.82
Weighted Average Lease Term (years):					
New leases	5.8	9.9	10.0	9.1	9.3
Renewals	5.4	4.1	9.0	7.5	9.1
All new and renewed leases	5.5	7.4	9.3	8.2	9.1
Leasing Costs and Concession Commitments per Sq. Ft. per Year:					
New leases	\$ 9.91	\$ 9.52	\$ 11.24	\$ 17.09	\$ 8.60
Renewals	\$ 2.07	\$ 3.62	\$ 1.54	\$ 4.25	\$ 4.13
All new and renewed leases	\$ 3.69	\$ 8.45	\$ 2.84	\$ 7.99	\$ 4.60

- (1) The leasing summary on this page is based on leases entered into during the periods indicated.
- (2) Effective as of the date of deconsolidation, excludes properties owned by the unconsolidated joint ventures in which we own an equity interest. See pages [16](#) and [17](#) for additional information regarding our joint ventures.

Tenants Representing 1% Or More of Total Annualized Rental Income

As of June 30, 2022

(dollars in thousands)

Tenant	Facility Type	Annualized Rental Income	% of Annualized Rental Income	Expiration
1 Advocate Aurora Health	Medical office	\$ 16,939	5.9%	2026-2031
2 Brookdale Senior Living, Inc.	Senior living	9,147	3.2%	2032
3 Life Time Athletic	Wellness center	9,105	3.2%	2040
4 Medtronic, Inc.	Medical office	6,604	2.3%	2022 - 2027
5 Surgalign Holdings, Inc.	Life science	6,595	2.3%	2034
6 Starmark Holdings, LLC	Wellness center	6,000	2.1%	2028
7 IQVIA Holdings Inc.	Life science	5,344	1.9%	2023
8 Prometheus Biosciences, Inc.	Life science	5,114	1.8%	2033
9 Stratford Retirement, LLC	Senior living	5,076	1.8%	2033
10 Boston Children's Hospital	Medical office	4,794	1.7%	2028
11 KSQ Therapeutics, Inc. ⁽¹⁾	Life science	4,779	1.7%	2032
12 Sonova Holding AG	Life science	4,591	1.6%	2024
13 Oaks Senior Living, LLC	Senior living	4,523	1.6%	2024 - 2030
14 Magellan Health Inc.	Medical office	4,516	1.6%	2025
15 Stellar Senior Living, LLC	Senior living	4,342	1.5%	2027
16 Abbvie Inc.	Life science	3,969	1.4%	2027
17 United Healthcare Services, Inc.	Medical office	3,924	1.4%	2026
18 Cigna Holding Co.	Medical office	3,914	1.4%	2024
19 Duke University	Medical office	3,834	1.3%	2024
20 Tokio Marine Holdings Inc.	Medical office	3,759	1.3%	2022 - 2033
21 PerkinElmer Health Sciences, Inc.	Life science	3,681	1.3%	2028
22 HCA Holdings Inc.	Medical office	3,405	1.2%	2023-2027
23 New York University	Medical office	3,239	1.1%	2022-2027
24 McKesson Corporation	Medical office	3,143	1.1%	2024-2028
25 Ultragenyx Pharmaceutical Inc.	Life science	3,098	1.1%	2026
26 Hawaii Pacific Health	Medical office	3,060	1.1%	2024-2029
27 Virginia Premier Health Plan, Inc.	Medical office	2,936	1.0%	2032
All Other Tenants ⁽²⁾		147,907	51.1%	2022 - 2043
Total Tenants		<u>\$ 287,338</u>	<u>100.0%</u>	

(1) In July 2021, we entered into a 10-year lease with KSQ Therapeutics, Inc. The lease relates to an ongoing redevelopment of a property we own in Lexington, MA. The term of the lease commences upon our delivery of the completed space, which is estimated to occur in the third quarter of 2022.

(2) Includes NOI for the three months ended June 30, 2022, annualized, from senior living communities in our SHOP segment.

Office Portfolio Lease Expiration Schedule

As of June 30, 2022

(dollars in thousands)

Office Portfolio Annualized Rental Income Expiring

Year	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2022	\$ 11,660	5.3%	5.3%
2023	18,229	8.3%	13.6%
2024	26,335	12.0%	25.6%
2025	16,923	7.7%	33.3%
2026	23,932	10.9%	44.2%
2027	19,400	8.8%	53.0%
2028	22,809	10.4%	63.4%
2029	11,259	5.1%	68.5%
2030	7,693	3.5%	72.0%
2031 and thereafter	60,998	28.0%	100.0%
Total	\$ 219,238	100.0%	

Average remaining lease term for our office portfolio (weighted by annualized rental income): 5.7 years

Office Portfolio Square Feet with Leases Expiring

Year	Leased Square Feet Expiring	% of Total Leased Square Feet Expiring	Cumulative % of Total Leased Square Feet Expiring
2022	418,778	5.4%	5.4%
2023	658,901	8.6%	14.0%
2024	971,967	12.6%	26.6%
2025	713,422	9.3%	35.9%
2026	796,376	10.4%	46.3%
2027	809,691	10.5%	56.8%
2028	874,257	11.4%	68.2%
2029	390,787	5.1%	73.3%
2030	388,369	5.1%	78.4%
2031 and thereafter	1,665,116	21.6%	100.0%
Total	7,687,664	100.0%	



Non-Segment Lease Expiration Schedule

As of June 30, 2022

(dollars in thousands)

Non-Segment Annualized Rental Income Expiring

Year	Number of Properties	Number of Units or Square Feet	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2022	—	—	\$ —	—%	—%
2023	—	—	—	—%	—%
2024	2	180 units	2,885	6.8%	6.8%
2025	—	—	—	—%	6.8%
2026	—	—	—	—%	6.8%
2027	4	534 units	4,342	10.3%	17.1%
2028	6	354,000 sq. ft.	6,000	14.2%	31.3%
2029	1	155 units	547	1.3%	32.6%
2030	3	367 units	5,134	12.2%	44.8%
2031 and thereafter	24	1,091 units and 458,000 sq. ft.	23,328	55.2%	100.0%
Total	40		\$ 42,236	100.0%	

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures

We present certain "non-GAAP financial measures" within the meaning of applicable rules of the SEC, including net operating income, or NOI, Cash Basis NOI, same property NOI, same property Cash Basis NOI, earnings before interest, income tax, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, Adjusted EBITDAre, funds from operations attributable to common shareholders, or FFO attributable to common shareholders, and normalized funds from operations attributable to common shareholders, or Normalized FFO attributable to common shareholders. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) or net income (loss) attributable to common shareholders as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) and net income (loss) attributable to common shareholders as presented in our condensed consolidated statements of income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss) and net income (loss) attributable to common shareholders. We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI, reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI

The calculations of NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI exclude certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We calculate NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI as shown on pages [18](#) through [24](#). We define NOI as income from our real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization. We define Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization, lease termination fee amortization, if any, and non-cash amortization included in property operating expenses. We calculate same property NOI and same property Cash Basis NOI in the same manner that we calculate the corresponding NOI and Cash Basis NOI amounts, except that we only include same properties in calculating same property NOI and same property Cash Basis NOI. We use NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI to evaluate individual and company wide property level performance. Other real estate companies and REITs may calculate NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI differently than we do.

EBITDA, EBITDAre and Adjusted EBITDAre

We calculate EBITDA, EBITDAre and Adjusted EBITDAre as shown on page [25](#). EBITDAre is calculated on the basis defined by the National Association of Real Estate Investment Trusts, or Nareit, which is EBITDA, excluding gains or losses on the sale of properties, equity in earnings or losses of unconsolidated joint ventures, impairment of assets, if any, and including adjustments to reflect our proportionate share of EBITDAre of our equity method investment in AlerisLife and our proportionate share of EBITDAre from our unconsolidated joint ventures, as well as certain other adjustments currently not applicable to us. In calculating Adjusted EBITDAre, we adjust for the items shown on page [25](#). Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than we do.

FFO and Normalized FFO Attributable to Common Shareholders

We calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders as shown on page [26](#). FFO attributable to common shareholders is calculated on the basis defined by Nareit, which is net income (loss) attributable to common shareholders, calculated in accordance with GAAP, excluding any gain or loss on sale of properties, equity in earnings or losses of unconsolidated joint ventures, loss on impairment of real estate assets, gains or losses on equity securities, net, if any, including adjustments to reflect our proportionate share of FFO of our equity method investment in AlerisLife and our proportionate share of FFO from our unconsolidated joint ventures, plus real estate depreciation and amortization of consolidated properties and minus FFO adjustments attributable to noncontrolling interest, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO attributable to common shareholders, we adjust for the items shown on page [26](#) including similar adjustments for our unconsolidated joint ventures, if any. FFO attributable to common shareholders and Normalized FFO attributable to common shareholders are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in the agreements governing our debt, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance, and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders differently than we do.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Adjusted total assets Adjusted total assets is the original cost of real estate assets calculated in accordance with GAAP before depreciation and after impairment write downs, if any, and excludes accounts receivable and intangible assets.

AlerisLife AlerisLife means AlerisLife Inc.

Annualized dividend yield Annualized dividend yield is the annualized dividend declared during the applicable period divided by the closing price of DHC's common shares on The Nasdaq Stock Market LLC at the end of the relevant period.

Annualized rental income Annualized rental income is based on rents pursuant to existing leases as of June 30, 2022. Annualized rental income includes estimated percentage rents, straight line rent adjustments and estimated recurring expense reimbursements for certain net and modified gross leases; excludes lease value amortization at certain of our medical office and life science properties and wellness centers. Annualized rental income amounts for our medical office and life science properties also exclude 100% of rents pursuant to existing leases as of June 30, 2022 from the medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

Average monthly rate Average monthly rate is calculated by taking the average daily rate, which is defined as total residents fees and services divided by occupied units during the period, and multiplying it by 30 days.

Building improvements Building improvements generally include expenditures to replace obsolete building components that extend the useful life of existing assets or other improvements to increase the marketability of the property.

Cash basis NOI margin % Cash basis NOI margin % is defined as cash basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straight line rent adjustments, lease value amortization and lease termination fee amortization, if any.

Consolidated income available for debt service Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, taxes, loss on asset impairment, gains or losses on equity securities, gains or losses on sales of properties, modification or early extinguishment of debt and equity in earnings or losses of unconsolidated joint ventures and including distributions from our unconsolidated joint ventures, determined together with debt service for the applicable period.

Coupon rate Coupon rate is the interest rate stated in, or determined pursuant to, the contract terms.

Development, redevelopment and other activities Development, redevelopment and other activities generally include capital expenditures that reposition a property or result in new sources of revenue. From time to time we invest in revenue producing capital improvements at certain of our triple net leased senior living communities. As a result, annual rents payable to us increase pursuant to the terms of the applicable leases. These capital improvements are not included in our development, redevelopment and other activities.

Estimated completion date Estimated completion date can depend on various factors, including when lease agreements are signed with tenants. Therefore, the actual completion date may vary.

Estimated project costs Estimated project costs include estimated construction costs and leasing capital up to stabilization.

Five Star Five Star, or Five Star Senior Living, is an operating division of AlerisLife.

Five Star managed communities Five Star managed communities are the 120 senior living communities in our SHOP segment that Five Star manages pursuant to our June 2021 amended management agreements with Five Star.

Non-GAAP Financial Measures and Certain Definitions (Continued)

GAAP GAAP is U.S. generally accepted accounting principles.

Gross book value of real estate assets Gross book value of real estate assets is real estate assets at cost plus certain acquisition costs, before depreciation and purchase price allocations, less impairment writedowns, if any.

Gross purchase price Gross purchase price includes assumed debt, if any, and excludes acquisition costs and purchase price allocation adjustments, if any.

Gross sales price Gross sales price excludes closing costs.

Incurrence covenants Incurrence covenants are financial covenants which we are required to comply with in order to incur additional debt under our revolving credit facility and the indentures governing our senior unsecured notes.

Interest rate Interest rate includes the effect of mark to market accounting for certain assumed mortgages and premiums and discounts on certain mortgages and unsecured notes; excludes effects of debt issuance costs and the 30 basis points facility fee on our revolving credit facility.

Investment per square foot or unit Investment per square foot or unit represents gross book value of real estate assets divided by number of rentable square feet or living units, as applicable, at June 30, 2022.

Lease related costs Lease related costs generally include capital expenditures to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

Leasing costs and concession commitments Leasing costs and concession commitments include commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

Maintenance covenant Our maintenance covenant is a financial covenant which we are required to comply with on a quarterly basis pursuant to the indentures governing our senior unsecured notes.

Net debt Net debt is total debt less cash.

NOI margin % NOI margin % is defined as NOI as a percentage of rental income or residents fees and services, as appropriate.

Non-Segment Non-Segment operations consists of triple net leased senior living communities that are leased to third party operators and wellness centers, and any other income or expenses that are not attributable to a specific reporting segment.

Occupancy Occupancy for our Office Portfolio is presented as of the end of the period shown; occupancy for our SHOP segment and other tenants is presented for the duration of the period shown, or the most recent prior period of equivalent length for which tenant and manager operating results are available to us. Occupancy excludes data for our wellness centers. Life science and medical office occupancy data includes (i) out of service assets undergoing redevelopment, (ii) space which is leased but is not occupied or is being offered for sublease by tenants and (iii) space being fitted out for occupancy. Triple net leased senior living communities occupancy excludes data for periods prior to our ownership of certain properties, as well as properties sold or classified as held for sale, or for which there was a transfer of operations during the periods presented.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Office Portfolio Office Portfolio consists of medical office properties leased to medical providers and other medical related businesses, as well as life science properties leased to biotech laboratories and other similar tenants. Our medical office and life science property leases include some triple net leases where, in addition to paying fixed rents, the tenants assume the obligation to operate and maintain the properties at their expense, and some net and modified gross leases where we are responsible for the operation and maintenance of the properties and we charge tenants for some or all of the property operating costs. A small percentage of our medical office and life science property leases are full-service leases where we receive fixed rent from our tenants and no reimbursement for our property operating costs.

Other Operator managed communities Other operator managed communities are senior living communities in our SHOP segment, which are now managed by third party managers (other than Five Star) or closed or are repositioned pursuant to the amendments to our management arrangements with Five Star in June 2021. As of December 31, 2021, we had transitioned 107 senior living communities to 10 new third party managers.

Principal balance Principal balances are the amounts stated in the contracts. In accordance with GAAP, our carrying values and recorded interest expense may be different because of market conditions at the time we assumed certain of these debts. The principal balance of our revolving credit facility includes amounts outstanding as of the date presented.

Rent coverage Rent coverage is calculated as operating cash flows from our tenants' facility operations of our properties, before subordinated charges, if any, divided by rent payable to us; excludes data for periods prior to our ownership of certain properties, as well as properties sold or classified as held for sale, or for which there was a transfer of operations from one operator to another during the periods presented.

Same Property As of and for the three months ended June 30, 2022, same property consists of properties owned, in service and operated by the same operator continuously since April 1, 2021; excludes properties classified as held for sale, closed or out of service undergoing redevelopment, if any, and medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest. As of and for the six months ended June 30, 2022, same property consists of properties owned, in service and operated by the same operator continuously since January 1, 2021; excludes properties classified as held for sale, closed or out of service undergoing redevelopment, if any, and medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

SHOP SHOP, or Senior Housing Operating Portfolio, consists of senior living communities managed by third party senior living managers that provide short term and long term residential living and in some cases care and other services for residents where we pay fees to the managers to operate the communities. Properties in this segment include independent living communities, assisted living communities, active adult rental communities and SNFs.

SNF SNF is a skilled nursing facility.

Square feet Square feet measurements are subject to modest changes when space is periodically remeasured or reconfigured for new tenants. Square feet for prior periods exclude space remeasurements made subsequent to those periods. Excludes data from medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

Total gross assets Total gross assets is total assets plus accumulated depreciation.

Total unencumbered assets Total unencumbered assets is the original cost of real estate assets not encumbered by mortgage debt calculated in accordance with GAAP before depreciation and after impairment write downs, if any, and exclude accounts receivable and intangible assets.

Triple net leased senior living communities Triple net leased senior living communities include independent and assisted living communities and SNFs.

Unit count Unit count is by the type of living units at our senior living communities within our SHOP segment.

Weighted average lease term Weighted average lease term is weighted based on annualized rental income pursuant to existing leases as of June 30, 2022.

Warning Concerning Forward-Looking Statements

This presentation of supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

For example:

- Our redevelopment projects may not be successful and may cost more or take longer to complete than we currently expect. In addition, the terms of the leases we entered into with respect to our redevelopment projects may not commence on the currently expected dates or at all.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.