



Diversified Healthcare Trust First Quarter 2024 Financial Results and Supplemental Information

May 6, 2024



The Horizon Club
1208 South Military Trail
Deerfield Beach, FL

Table of Contents

FINANCIAL RESULTS	Diversified Healthcare Trust Announces First Quarter 2024 Financial Results	3
	First Quarter 2024 Highlights	4
	First Quarter 2024 Results	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 AND LEVERAGE	Debt Summary	10
	Debt Maturity Schedule	11
	Leverage Ratios, Coverage Ratios and Bond Covenants	12
INVESTMENTS	Summary of Capital Expenditures	13
	Redevelopment Information	14
	Property Acquisitions / Dispositions Information Since January 1, 2024	15
	Investments in Unconsolidated Joint Ventures	16
PORTFOLIO INFORMATION	Portfolio Summary by Geographic Diversification and Property Type	18
	Portfolio Summary	19
	SHOP Units by Operator	20
	Medical Office and Life Science Portfolio and Same Property - Results of Operations	21
	SHOP Segment and Same Property - Results of Operations	23
	SHOP Segment - Five Star and Other Operator Managed Communities Results of Operations	24
	Portfolio Leasing Summary	25
	Tenants Representing 1% or More of Total Annualized Rental Income	26
	Medical Office and Life Science Portfolio Lease Expiration Schedule	27
	Non-Segment Lease Expiration Schedule	28
APPENDIX	Company Profile and Research Coverage	29
	Governance Information	30
	Calculation and Reconciliation of NOI and Cash Basis NOI	31
	Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment	32
	Calculation and Reconciliation of EBITDA, EBITDAre and Adjusted EBITDAre	33
	Calculation and Reconciliation of FFO and Normalized FFO	34
	Non-GAAP Financial Measures and Certain Definitions	35
WARNING CONCERNING FORWARD-LOOKING STATEMENTS		40

DHC
Nasdaq Listed

Trading Symbols:

Common Shares: DHC

Senior Unsecured Notes due 2042: DHCNI

Senior Unsecured Notes due 2046: DHCNL

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Newton, MA 02458-1634

All amounts in this presentation are unaudited.

Please refer to Non-GAAP Financial Measures and Certain Definitions for terms used throughout this document.

Diversified Healthcare Trust Announces First Quarter 2024 Financial Results



"First quarter results were highlighted by a 9.5% year over year increase in same property cash basis NOI and ongoing progress within our SHOP segment. Our year over year SHOP results reflect a 200 basis point occupancy increase, supporting NOI growth of 43% and a related 180 basis point margin expansion. Within our Medical Office and Life Science Portfolio, we achieved 11% rent growth for signed leases during the quarter, which marks our third consecutive quarter of double digit rent growth, further demonstrating strength within these sectors.

Looking ahead, the guidance we provided on our fourth quarter 2023 earnings call remains unchanged as we continue to advance key initiatives to further strengthen our capital and liquidity position and drive performance across our portfolio."

Christopher Bilotto, President and Chief Executive Officer

Newton, MA (May 6, 2024): Diversified Healthcare Trust (Nasdaq: DHC) today announced its financial results for the quarter ended March 31, 2024.

Distribution

On April 11, 2024, DHC declared a quarterly distribution on its common shares of \$0.01 per share to shareholders of record as of the close of business on April 22, 2024. This distribution will be paid on or about May 16, 2024.

Conference Call

A conference call to discuss DHC's first quarter 2024 financial results will be held on Tuesday, May 7, 2024 at 10:00 a.m. Eastern Time. The conference call may be accessed by dialing (877) 329-4297 or (412) 317-5435 (if calling from outside the United States and Canada); a pass code is not required. A replay will be available for one week by dialing (877) 344-7529; the replay pass code is 8367577. A live audio webcast of the conference call will also be available in a listen-only mode on DHC's website, at www.dhcreit.com. The archived webcast will be available for replay on DHC's website after the call. The transcription, recording and retransmission in any way of DHC's first quarter conference call are strictly prohibited without the prior written consent of DHC.

About Diversified Healthcare Trust

DHC is a real estate investment trust, or REIT, focused on owning high-quality healthcare properties located throughout the United States. DHC seeks diversification across the health services spectrum by care delivery and practice type, by scientific research disciplines and by property type and location. As of March 31, 2024, DHC's approximately \$7.2 billion portfolio included 371 properties in 36 states and Washington, D.C., occupied by approximately 500 tenants, and totaling approximately 8.5 million square feet of life science and medical office properties and more than 27,000 senior living units. DHC is managed by The RMR Group (Nasdaq: RMR), a leading U.S. alternative asset management company with over \$41 billion in assets under management as of March 31, 2024 and more than 35 years of institutional experience in buying, selling, financing and operating commercial real estate. DHC is headquartered in Newton, MA. For more information, visit www.dhcreit.com.

First Quarter 2024 Highlights

Financial Results

- Net loss of \$86.3 million, or \$0.36 per share.
- Normalized FFO of \$3.5 million, or \$0.01 per share.

Same Property Cash Basis NOI *(dollars in thousands)*

	For the Three Months Ended					
	March 31, 2024	December 31, 2023	Change	March 31, 2023	Change	
Medical Office and Life Science Portfolio	\$ 30,640	\$ 31,072	(1.4)%	\$ 31,783	(3.6)%	
SHOP	\$ 25,291	\$ 16,725	51.2 %	\$ 17,611	43.6 %	
Consolidated	\$ 63,566	\$ 58,258	9.1 %	\$ 58,059	9.5 %	

Operating Update

- Leased 100,916 square feet in DHC's Medical Office and Life Science Portfolio at weighted average rents that were 11.5% higher than prior rents for the same space.
- Renewed 129,600 square feet in DHC's triple net leased wellness center portfolio at rates that were 7.5% higher than prior rents for the same space.
- Year over year first quarter SHOP occupancy increased 200 basis points to 78.9% and average monthly rates increased by 6.8%, resulting in a 10.2% increase in SHOP revenues.

Liquidity, Financing and Investing Activities

- As of March 31, 2024, DHC had approximately \$208.2 million of cash and cash equivalents and restricted cash.
- DHC sold one property for \$3.6 million.
- On February 16, 2024, DHC acquired approximately 34.0% of the outstanding AlerisLife common shares from ABP Trust for \$1.31 per share, or \$14.9 million in aggregate.

First Quarter 2024 Results

(dollars in thousands, except per share data)

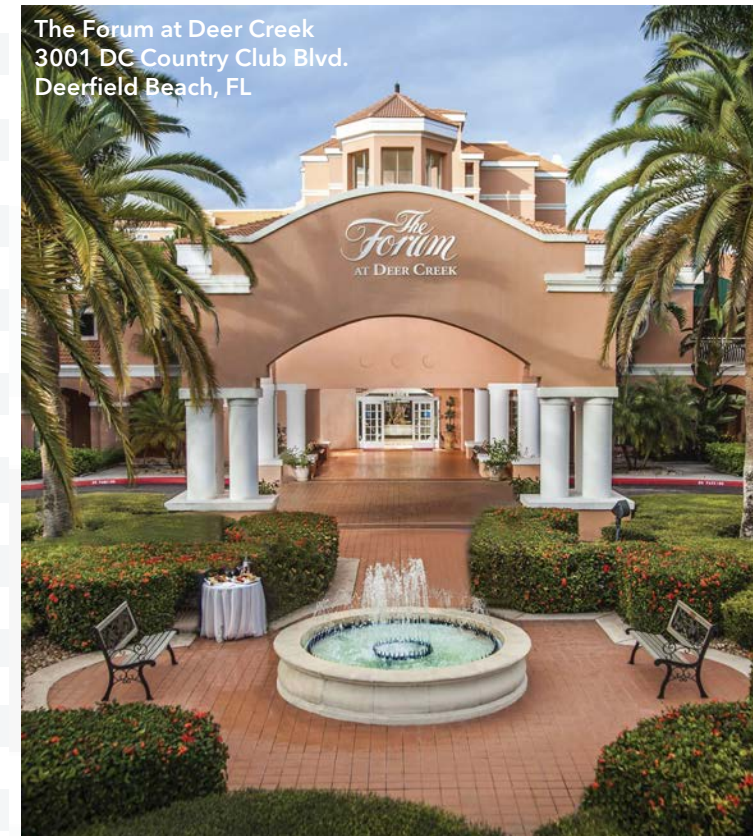
For the Three Months Ended							
Financial Results		March 31, 2024		December 31, 2023	Change	March 31, 2023	Change
Net loss	\$	(86,259)	\$	(102,564)	15.9 %	(52,658)	(63.8)%
Net loss per share	\$	(0.36)	\$	(0.43)	16.3 %	(0.22)	(63.6)%
Normalized FFO	\$	3,523	\$	8,079	(56.4)%	12,512	(71.8)%
Normalized FFO per share	\$	0.01	\$	0.03	(66.7)%	0.05	(80.0)%
Adjusted EBITDAre	\$	64,060	\$	59,189	8.2 %	62,692	2.2 %

As of and For the Three Months Ended					
	March 31, 2024	December 31, 2023	Basis Point Change	March 31, 2023	Basis Point Change
Occupancy					
Medical Office and Life Science Portfolio	82.9%	86.9%	(400)	85.1%	(220)
SHOP	78.9%	79.3%	(40)	76.9%	200
Same Property Occupancy					
Medical Office and Life Science Portfolio	89.8%	92.7%	(290)	92.9%	(310)
SHOP	79.0%	79.3%	(30)	77.1%	190

Key Financial Data

(dollars in thousands, except per share data)

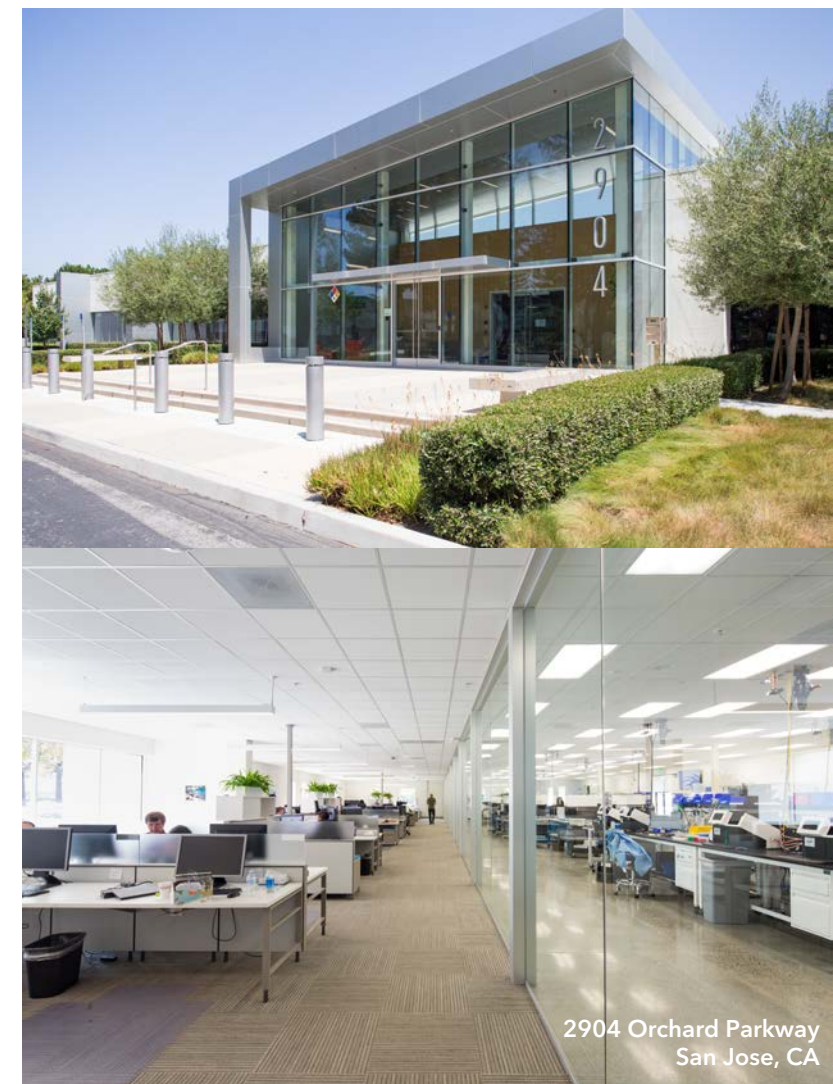
	As of and For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<u>Selected Balance Sheet Data:</u>					
Total gross assets	\$ 7,410,364	\$ 7,466,979	\$ 7,496,204	\$ 7,493,885	\$ 7,545,727
Total assets	\$ 5,348,037	\$ 5,446,136	\$ 5,530,256	\$ 5,585,475	\$ 5,666,730
Total liabilities	\$ 3,099,334	\$ 3,109,245	\$ 3,088,730	\$ 3,076,086	\$ 3,082,911
Total equity	\$ 2,248,703	\$ 2,336,891	\$ 2,441,526	\$ 2,509,389	\$ 2,583,819
<u>Selected Income Statement Data:</u>					
Total revenues	\$ 370,776	\$ 361,535	\$ 356,524	\$ 346,219	\$ 346,030
Net loss	\$ (86,259)	\$ (102,564)	\$ (65,779)	\$ (72,571)	\$ (52,658)
NOI	\$ 63,172	\$ 58,124	\$ 58,092	\$ 59,991	\$ 59,950
Adjusted EBITDAre	\$ 64,060	\$ 59,189	\$ 58,809	\$ 62,136	\$ 62,692
FFO	\$ 2,588	\$ 5,645	\$ 4,670	\$ 6,090	\$ 9,768
Normalized FFO	\$ 3,523	\$ 8,079	\$ 8,346	\$ 12,133	\$ 12,512
<u>Per Common Share Data (basic and diluted):</u>					
Net loss	\$ (0.36)	\$ (0.43)	\$ (0.28)	\$ (0.30)	\$ (0.22)
FFO	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.04
Normalized FFO	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.05	\$ 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)	1.6 %	1.1 %	2.1 %	1.8 %	3.0 %
Normalized FFO payout ratio	100.0 %	33.3 %	33.3 %	20.0 %	20.0 %



Condensed Consolidated Balance Sheets

(dollars in thousands, except share data)

	March 31, 2024	December 31, 2023
Assets		
Real estate properties:		
Land	\$ 641,481	\$ 652,977
Buildings and improvements	6,129,767	6,165,490
Total real estate properties, gross	6,771,248	6,818,467
Accumulated depreciation	(2,062,327)	(2,020,843)
Total real estate properties, net	4,708,921	4,797,624
Investments in unconsolidated joint ventures	130,299	129,916
Assets of properties held for sale	38,107	9,447
Cash and cash equivalents	207,123	245,939
Restricted cash	1,040	1,022
Equity method investment	15,740	—
Acquired real estate leases and other intangible assets, net	31,723	33,948
Other assets, net	215,084	228,240
Total assets	\$ 5,348,037	\$ 5,446,136
Liabilities and Shareholders' Equity		
Senior secured notes, net	\$ 751,890	\$ 731,211
Senior unsecured notes, net	2,073,757	2,072,618
Secured debt and finance leases, net	12,197	13,020
Liabilities of properties held for sale	218	32
Accrued interest	23,751	22,847
Other liabilities	237,521	269,517
Total liabilities	3,099,334	3,109,245
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value: 300,000,000 shares authorized, 240,393,722 and 240,423,898 shares issued and outstanding, respectively	2,404	2,405
Additional paid in capital	4,618,950	4,618,470
Cumulative net income	1,692,019	1,778,278
Cumulative other comprehensive loss	(4)	—
Cumulative distributions	(4,064,666)	(4,062,262)
Total shareholders' equity	2,248,703	2,336,891
Total liabilities and shareholders' equity	\$ 5,348,037	\$ 5,446,136



2904 Orchard Parkway
San Jose, CA

Condensed Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	For the Three Months Ended March 31,	
	2024	2023
Revenues:		
Rental income	\$ 62,650	\$ 66,438
Residents fees and services	308,126	279,592
Total revenues	370,776	346,030
Expenses:		
Property operating expenses	307,604	286,080
Depreciation and amortization	70,133	64,800
General and administrative	7,568	5,873
Acquisition and certain other transaction related costs	86	93
Impairment of assets	12,142	5,925
Total expenses	397,533	362,771
(Loss) gain on sale of properties	(5,874)	1,233
Gains and losses on equity securities, net	—	8,126
Interest and other income	2,237	4,195
Interest expense (including net amortization of debt discounts, premiums and issuance costs of \$24,863 and \$2,074, respectively)	(57,576)	(47,780)
Loss on modification or early extinguishment of debt	—	(1,075)
Loss before income tax (expense) benefit and equity in net earnings (losses) of investees	(87,970)	(52,042)
Income tax (expense) benefit	(187)	31
Equity in net earnings (losses) of investees	1,898	(647)
Net loss	\$ (86,259)	\$ (52,658)
Weighted average common shares outstanding (basic and diluted)	239,193	238,589
Per common share data (basic and diluted):		
Net loss	\$ (0.36)	\$ (0.22)



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

(dollars in thousands)

	For the Three Months Ended March 31,	
	2024	2023
<u>Additional Data:</u>		
General and administrative expenses / total assets (at end of period)	0.1 %	0.1 %
Business management incentive fees included in general and administrative expenses	\$ 849	\$ —
Non-cash straight line rent adjustments included in rental income	\$ 291	\$ 2,448
Lease value amortization included in rental income	\$ (28)	\$ 311
Lease termination fees included in rental income	\$ 203	\$ 304
Non-cash share based compensation	\$ 558	\$ 269
Non-cash amortization included in property operating expenses	\$ 199	\$ 199
Non-cash amortization included in general and administrative expenses	\$ 744	\$ 744



Debt Summary

As of March 31, 2024

(dollars and sq. ft. in thousands)

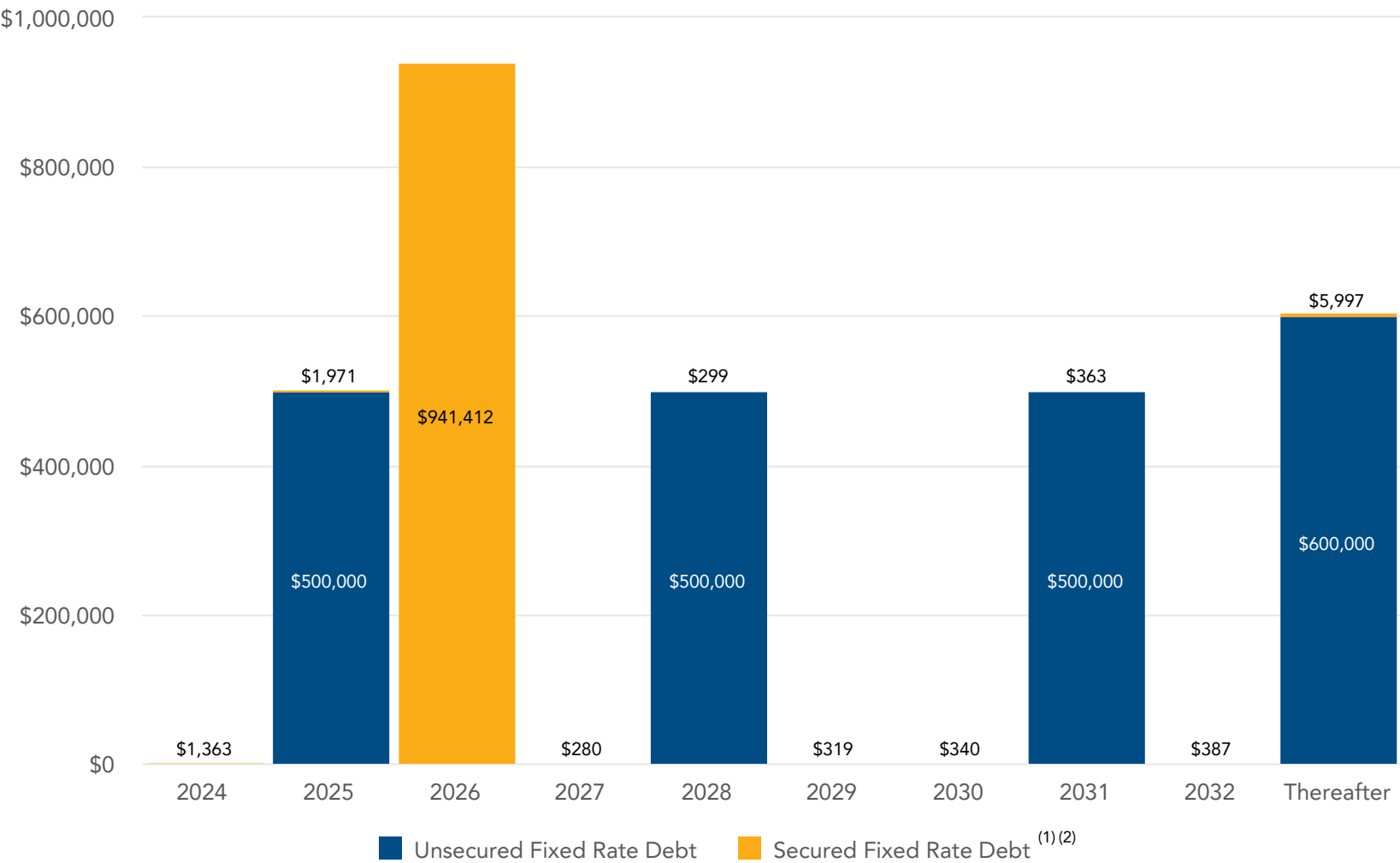
	Coupon Rate	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2025 ^{(1) (2)}	9.750%	9.750%	\$ 500,000	6/15/2025	\$ 500,000	1.2
Senior unsecured notes due 2028	4.750%	4.966%	500,000	2/15/2028	500,000	3.9
Senior unsecured notes due 2031 ⁽²⁾	4.375%	4.375%	500,000	3/1/2031	500,000	6.9
Senior unsecured notes due 2042	5.625%	5.625%	350,000	8/1/2042	350,000	18.3
Senior unsecured notes due 2046	6.250%	6.250%	250,000	2/1/2046	250,000	21.9
Weighted average rate / total unsecured fixed rate debt	6.176%	6.227%	2,100,000		2,100,000	8.5
Secured Fixed Rate Debt:						
Senior secured notes due 2026 ^{(2) (3) (4) (5)}	0.000%	0.000%	940,534	1/15/2026	940,534	1.8
Finance leases - 2 properties	7.700%	7.700%	3,528	4/30/2026	155	2.1
Mortgage - secured by one property	6.444%	6.444%	8,669	7/6/2043	70	19.3
Weighted average rate / total secured fixed rate debt	0.087%	0.087%	952,731		940,759	0.2
Weighted average rate / total debt	4.275%	4.311%	\$ 3,052,731		\$ 3,040,759	5.9

- (1) DHC has the option to redeem all or a portion of its senior unsecured notes due 2025 at any time at a set redemption price. As of March 31, 2024, the redemption price was equal to 102.438% of the principal amount to be redeemed. As of June 15, 2024, the redemption price will equal 100% of the principal amount to be redeemed.
- (2) As of March 31, 2024, all of DHC's senior unsecured notes due 2025 and senior unsecured notes due 2031 were fully and unconditionally guaranteed, on a joint and several basis and on a senior unsecured basis, by all of DHC's subsidiaries, except for certain excluded subsidiaries, and all of DHC's senior secured notes due 2026 were fully and unconditionally guaranteed, on a joint, several and senior secured basis, by certain of DHC's subsidiaries, and on a joint, several and unsecured basis, by DHC's other subsidiaries, except for certain excluded subsidiaries. The senior secured notes and the related guarantees on a senior secured basis are secured by a first priority lien and security interest in each of the collateral properties and 100% of the equity interests in each of the collateral guarantors. The notes and the guarantees (other than the senior secured notes and the related guarantees on a senior secured basis) are effectively subordinated to all of DHC's and the subsidiary guarantors' secured indebtedness, respectively, to the extent of the value of the collateral securing such secured indebtedness, and the notes and the related guarantees are structurally subordinated to all indebtedness and other liabilities and any preferred equity of DHC's subsidiaries that do not guarantee the notes.
- (3) No cash interest will accrue on these senior secured notes prior to maturity. The accreted value of these senior secured notes will increase at a rate of 11.25% per annum compounded semiannually on January 15 and July 15 of each year, such that the accreted value will equal the principal amount at maturity.
- (4) Summary information of the properties securing these senior notes are as follows as of March 31, 2024:
 - Properties: 95 (63 Medical Office/Life Science; 22 triple net leased senior living; 10 triple net leased wellness centers)
 - Sq. Ft. / Units: 5,788 sq. ft. / 1,529 units
 - Q1 2024 NOI: \$26,452
 - Gross book value of real estate assets: \$1,602,294
 - Occupancy (Medical Office and Life Science Portfolio): 90.1%
 - Rent coverage (triple net senior living and wellness centers): 1.54x
 - Weighted average lease term: 7.0 years
- (5) DHC has a one-time option to extend the maturity date of these senior secured notes by one year, to January 15, 2027, subject to satisfaction of certain conditions and payment of an extension fee. If DHC exercises this option, interest payments will be due semiannually during the extension period at an initial interest rate of 11.25% with increases of 50 basis points every 90 days these senior secured notes remain outstanding.

Debt Maturity Schedule

As of March 31, 2024

(dollars in thousands)



- (1) Includes \$3,528 of finance lease obligations due through April 2026.
- (2) DHC has a one-time option to extend the maturity date of these senior secured notes by one year, to January 15, 2027, subject to satisfaction of certain conditions and payment of an extension fee. If DHC exercises this option, interest payments will be due semiannually during the extension period at an initial interest rate of 11.25% with increases of 50 basis points every 90 days these senior secured notes remain outstanding.

Leverage Ratios, Coverage Ratios and Bond Covenants

	As of and For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Leverage Ratios:					
Net debt / total gross assets	38.4%	37.6%	33.8%	32.8%	32.4%
Net debt / gross book value of real estate assets	39.5%	38.9%	35.3%	34.5%	34.4%
Secured debt / total assets	17.8%	17.5%	8.4%	8.3%	8.5%
Variable rate debt / net debt	—%	—%	17.7%	18.3%	18.4%
Coverage Ratios:					
Net debt / annualized Adjusted EBITDAre	10.8x	12.3x	10.6x	9.8x	9.6x
Adjusted EBITDAre / interest expense	1.1x	1.2x	1.2x	1.3x	1.3x
	As of and For the Trailing Twelve Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Bond Covenants:					
<i>Maintenance Covenant</i>					
Total unencumbered assets / unsecured debt - required minimum 150.0%	271.2%	274.5%	261.4%	264.4%	265.3%
<i>Incurrence Covenants</i>					
Total debt / adjusted total assets - allowable maximum 60.0%	40.6%	40.3%	37.0%	37.0%	37.0%
Secured debt / adjusted total assets - allowable maximum 40.0%	12.7%	12.6%	6.1%	6.1%	6.3%
Consolidated income available for debt service / debt service - required minimum 1.50x ⁽¹⁾	1.64x	1.64x	1.17x	1.08x	0.98x

(1) As of March 31, 2024, DHC's ratio of consolidated income available for debt service to debt service is presented on a pro forma basis to reflect the proceeds from the issuance of \$940.5 million of zero coupon senior secured notes due 2026. DHC used the net proceeds from this issuance to repay in full its then existing \$450.0 million secured credit facility and to redeem \$250.0 million of its senior notes due 2024.



Torrey Pines
San Diego, CA

Summary of Capital Expenditures

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

	For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Medical Office and Life Science Portfolio:					
Lease related costs	\$ 6,029	\$ 13,349	\$ 8,689	\$ 9,284	\$ 6,748
Building improvements	919	5,531	4,036	2,561	856
Recurring capital expenditures - Medical Office and Life Science Portfolio	6,948	18,880	12,725	11,845	7,604
SHOP fixed assets and capital improvements	10,091	32,952	25,978	18,407	23,644
Wellness centers lease related costs	6,923	4,928	3,909	884	—
Total recurring capital expenditures	\$ 23,962	\$ 56,760	\$ 42,612	\$ 31,136	\$ 31,248
Medical Office and Life Science Portfolio avg. sq. ft. during period	8,710	8,710	8,803	8,803	8,810
SHOP avg. units managed during period	25,256	25,256	25,312	25,325	25,337
Medical Office and Life Science Portfolio building improvements per avg. sq. ft. during period	\$ 0.11	\$ 0.64	\$ 0.46	\$ 0.29	\$ 0.10
SHOP fixed assets and capital improvements per avg. unit managed during period	\$ 400	\$ 1,305	\$ 1,026	\$ 727	\$ 933
Development, redevelopment and other activities - Medical Office and Life Science Portfolio	\$ 713	\$ 120	\$ 2,410	\$ 4,792	\$ 1,922
Development, redevelopment and other activities - SHOP	1,189	22,559	23,020	20,405	16,223
Total development, redevelopment and other activities	\$ 1,902	\$ 22,679	\$ 25,430	\$ 25,197	\$ 18,145

Redevelopment Information

As of March 31, 2024

(dollars in millions)

Medical Office and Life Science Portfolio

DHC does not have any significant ongoing redevelopments as of March 31, 2024.

SHOP

Project	Location	Type of Property	Number of Units ⁽¹⁾	Estimated Project Costs	Total Costs Incurred as of March 31, 2024	Estimated Completion Date
Pueblo Norte Senior Living	Scottsdale, AZ	IL/AL	197	\$ 26.6	\$ 14.9	Q2 2025
Five Star Premier Residences of Teaneck	Teaneck, NJ	IL/AL	218	10.2	10.2	Q2 2024
23 refresh projects	Various	IL/AL/MC	3,873	25.7	—	Q4 2024
				<u>\$ 62.5</u>	<u>\$ 25.1</u>	

(1) Reflects units prior to redevelopment.

Property Acquisitions / Dispositions Information Since January 1, 2024

(dollars in thousands)

Acquisitions:

DHC has not acquired any properties since January 1, 2024.

Dispositions:

Date Sold	Location	Type of Property	Number of Properties	Gross Sales Price
3/28/2024	Phoenix, AZ	Medical Office	1	\$ 3,600
Total Dispositions			1	\$ 3,600

Investments in Unconsolidated Joint Ventures ⁽¹⁾

As of March 31, 2024

(dollars in thousands)

Investments in Unconsolidated Joint Ventures

Joint Venture	Location	Type of Property	Number of Properties	Square Feet	Occupancy	Weighted Average Lease Term	DHC Ownership	DHC Carrying Value of Investment	Three Months Ended March 31, 2024	
									Joint Venture FFO	Joint Venture EBITDAre
Seaport Innovation LLC	Boston, MA	Life Science	1	1,134,479	100%	4.8 years	10%	\$ 85,922	\$ 14,554	\$ 20,229
The LSMD Fund REIT LLC	Various	Medical Office / Life Science	10	1,068,763	97%	5.6 years	20%	44,377	2,793	9,076
Total / Weighted Average			11	2,203,242	98%	5.1 years		\$ 130,299	\$ 17,347	\$ 29,305

Unconsolidated Debt

Joint Venture	Secured Debt ⁽²⁾	Coupon Rate	Maturity Date	Principal Balance ⁽³⁾	DHC Ownership	DHC Share of Principal Balance ⁽⁴⁾
Seaport Innovation LLC	Fixed Rate - 1 Property ⁽⁵⁾	3.530%	11/6/2028	\$ 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	Floating Rate - 1 Property ⁽⁶⁾	6.380%	2/9/2025	266,825	20%	53,365
Total / Weighted Average		4.223%		\$ 1,076,625		\$ 153,325

(1) DHC's property list, including properties owned by these unconsolidated joint ventures, is available on DHC's website.

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

(3) Reflects the entire balance of the debt secured by the properties. DHC continues to provide certain guarantees on the debt secured by the Seaport Innovation LLC property. The debt secured by The LSMD Fund REIT LLC properties is non-recourse to DHC.

(4) Reflects DHC's proportionate share of the principal debt balances based on its ownership percentage of the joint ventures.

(5) This mortgage loan requires interest only payments until the anticipated repayment date on August 6, 2026, at which time all accrued and unpaid interest along with the principal balance of \$620.0 million is expected to be repaid. This mortgage loan matures on November 6, 2028 and any unpaid principal from the anticipated repayment date through the maturity date bears interest at a variable rate of the greater of 6.53% or the then effective U.S. swap rate for the swap terminating on the maturity date plus 5.00%.

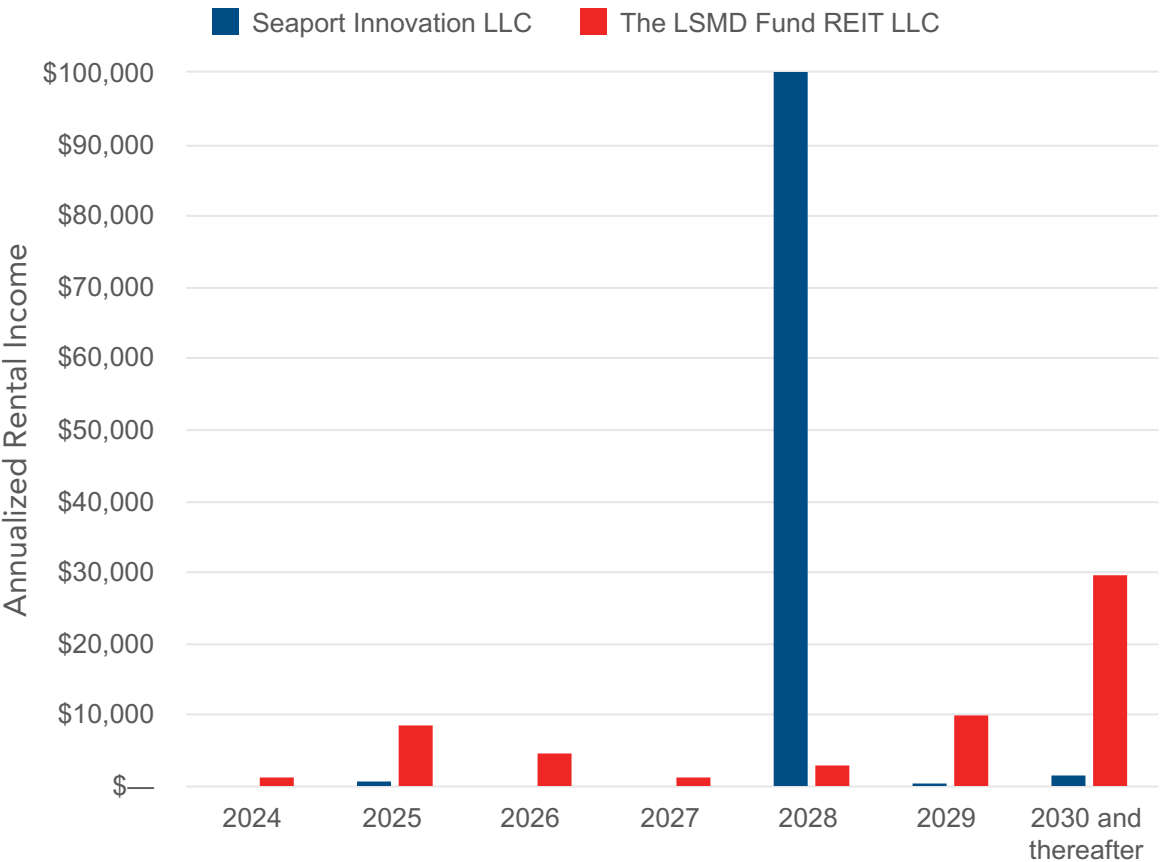
(6) This mortgage loan matures on February 9, 2025 and requires interest to be paid at SOFR plus a premium of 1.90%. The joint venture has also purchased an interest rate cap through February 2025 with a SOFR strike rate equal to 4.48% and an initial premium of \$1.2 million. The maturity date of this mortgage loan is subject to two remaining one-year extension options.

Investments in Unconsolidated Joint Ventures (continued)⁽¹⁾

As of March 31, 2024

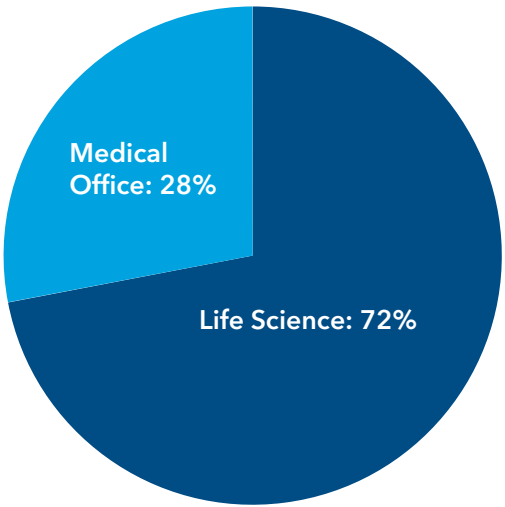
(dollars in thousands)

Unconsolidated Joint Ventures Lease Expiration Schedule

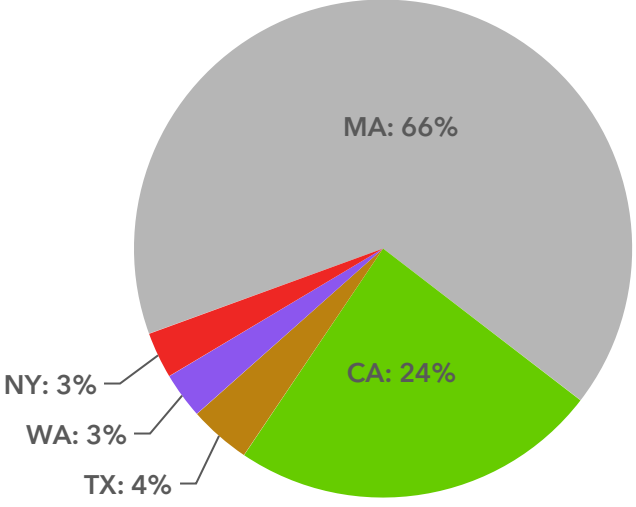


Number of Leases Expiring	8	19	11	7	14	12	30
% of Total Annualized Rental Income Expiring	0.9%	5.9%	3.0 %	0.9%	63.5 %	6.6%	19.2%

Property Type⁽²⁾



Geographic Diversification⁽²⁾



Major Tenants of Unconsolidated Joint Ventures

Joint Venture	Tenant	% of Annualized Rental Income of Joint Ventures
Seaport Innovation LLC	Vertex Pharmaceuticals Inc.	61.7%
The LSMD Fund REIT LLC	Cedars-Sinai Medical Center	11.7%
The LSMD Fund REIT LLC	Seattle Genetics, Inc.	3.1%
The LSMD Fund REIT LLC	Stryker Corporation	2.0%
The LSMD Fund REIT LLC	Complete Genomics, Inc.	1.9%

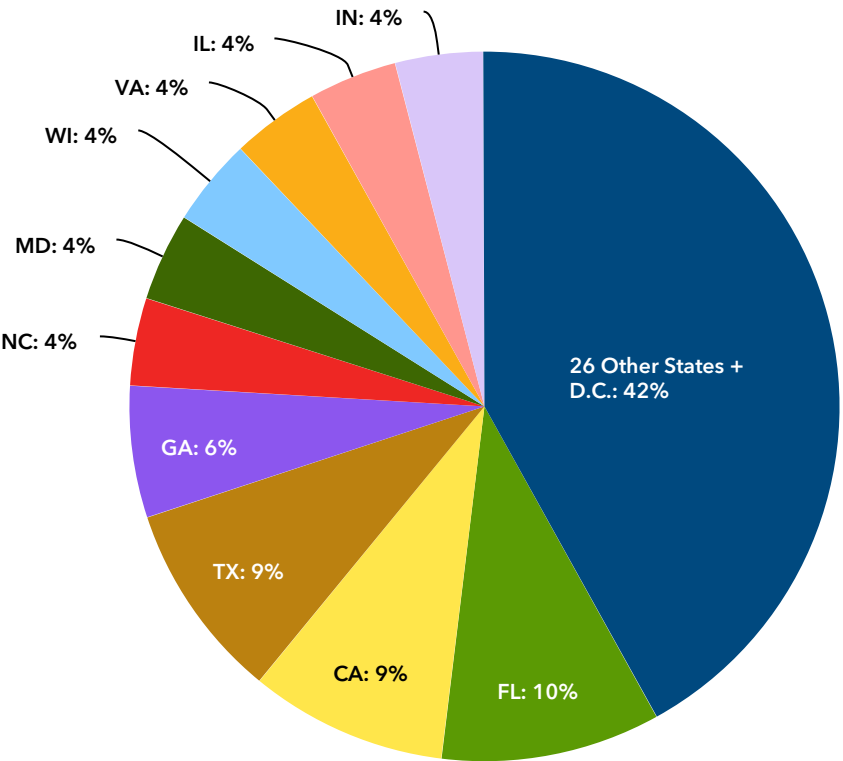
(1) DHC's property list, including properties owned by these unconsolidated joint ventures, is available on DHC's website.

(2) Based on the aggregate annualized rental income of DHC's unconsolidated joint ventures.

Portfolio Summary by Geographic Diversification and Property Type

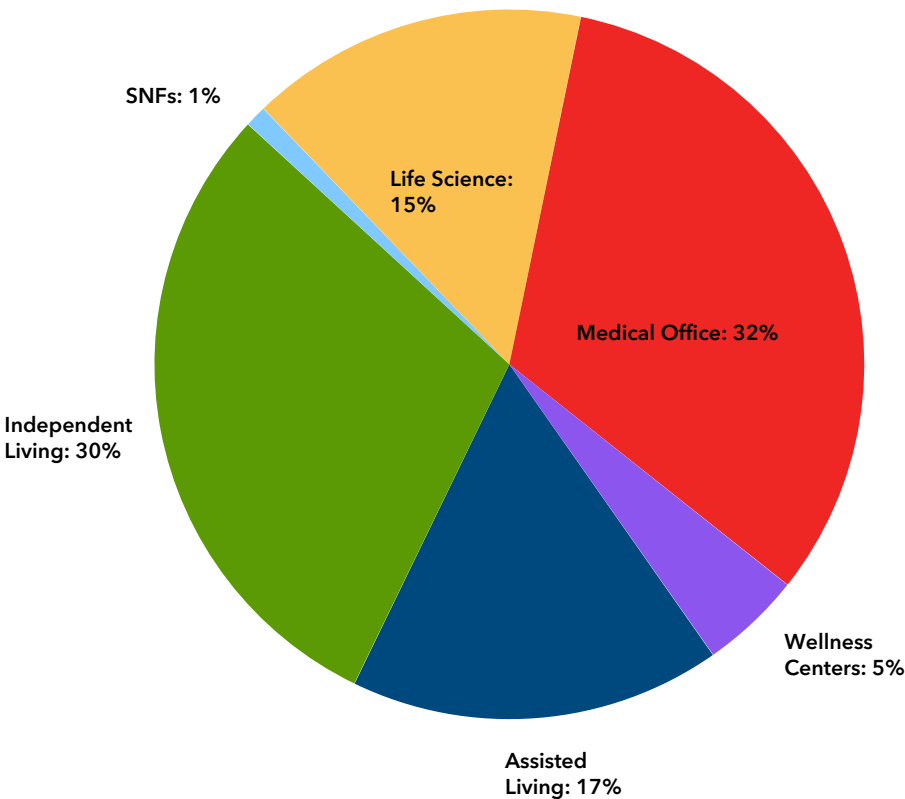
Geographic Diversification

(based on Gross Book Value of Real Estate Assets as of March 31, 2024)



Property Type^{(1) (2)}

(based on Q1 2024 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 March 31, 2024

(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	Q1 2024 Revenues	% of Q1 2024 Total Revenues	Q1 2024 NOI	% of Q1 2024 Total NOI
Life science	23	2,562,464	\$ 784,711	10.9 %	\$ 306	\$ 16,660	4.5 %	\$ 9,720	15.4 %
Medical office	79	5,924,505	1,478,677	20.5 %	\$ 250	37,489	10.1 %	20,532	32.5 %
Subtotal Medical Office and Life Science Portfolio	102	8,486,969 sq. ft.	2,263,388	31.4 %	\$ 267	54,149	14.6 %	30,252	47.9 %
SHOP	232	25,220 units	4,540,601	63.1 %	\$ 180,040	308,126	83.1 %	24,710	39.1 %
Triple net leased senior living communities	27	2,062 units	202,907	2.8 %	\$ 98,403	5,377	1.5 %	5,335	8.4 %
Wellness centers	10	812,000 sq. ft.	194,416	2.7 %	\$ 239	3,124	0.8 %	2,875	4.6 %
Total	371		\$ 7,201,312	100.0 %		\$ 370,776	100.0 %	\$ 63,172	100.0 %

SHOP Units by Operator

Manager	Location	Number of Properties ⁽¹⁾	Unit Count as of March 31, 2024				
			Assisted Living	Independent Living and Active Adult	Memory Care	Skilled Nursing	Total
Five Star Senior Living	Various (28 States)	119	6,461	9,647	1,539	—	17,647
Oaks-Caravita Senior Care	GA/SC	26	1,061	40	314	—	1,415
Phoenix Senior Living	AL/AR/KY/MO/NC/SC	23	961	147	214	164	1,486
Charter Senior Living ⁽²⁾	FL/MD/TN/VA	17	679	—	297	—	976
Cedarhurst Senior Living ⁽²⁾	IL/WI	13	690	—	94	—	784
Stellar Senior Living	CO/TX/WY	10	—	177	—	917	1,094
Northstar Senior Living	AZ/CA	7	121	—	297	—	418
Navion Senior Solutions	SC	5	210	—	25	—	235
Life Care Services	DE	3	73	194	12	238	517
Oaks Senior Living	GA	3	159	—	105	—	264
IntegraCare Senior Living	PA	2	113	—	33	—	146
Omega Senior Living	NE	1	69	—	—	—	69
The RMR Group	TX	1	—	169	—	—	169
Total		230	10,597	10,374	2,930	1,319	25,220
% of Total			42.0%	41.2%	11.6%	5.2%	100%

- (1) Excludes two closed senior living communities.
- (2) DHC terminated its management agreement with Cedarhurst Senior Living in March 2024, and transitioned five communities located in Wisconsin and eight communities located in Illinois to Charter Senior Living on April 1, 2024 and May 1, 2024, respectively.

Medical Office and Life Science Portfolio and Same Property - Results of Operations

CONSOLIDATED RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended		
	3/31/2024	12/31/2023	3/31/2023
Number of Properties	102	102	105
Square Feet	8,487	8,610	8,809
Occupancy	82.9 %	86.9 %	85.1 %
Rental Income	\$ 54,149	\$ 55,082	\$ 57,022
NOI	\$ 30,252	\$ 30,355	\$ 33,507
Cash Basis NOI	\$ 30,062	\$ 30,012	\$ 30,760
NOI Margin %	55.9 %	55.1 %	58.8 %
Cash Basis NOI Margin %	55.5 %	54.6 %	56.5 %
Sequential NOI % Change	(0.3)%		
Sequential Cash Basis NOI % Change	0.2 %		
Year Over Year NOI % Change	(9.7)%		
Year Over Year Cash Basis NOI % Change	(2.3)%		

SAME PROPERTY RESULTS OF OPERATIONS ⁽¹⁾

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended		
	3/31/2024	12/31/2023	3/31/2023
Number of Properties	93	93	93
Square Feet	7,651	7,651	7,657
Occupancy	89.8 %	92.7 %	92.9 %
Rental Income	\$ 52,344	\$ 53,518	\$ 53,560
NOI	\$ 30,573	\$ 31,360	\$ 32,889
Cash Basis NOI	\$ 30,640	\$ 31,072	\$ 31,783
NOI Margin %	58.4 %	58.6 %	61.4 %
Cash Basis NOI Margin %	58.3 %	58.2 %	60.4 %
Sequential NOI % Change	(2.5)%		
Sequential Cash Basis NOI % Change	(1.4)%		
Year Over Year NOI % Change	(7.0)%		
Year Over Year Cash Basis NOI % Change	(3.6)%		



(1) Same property includes those properties classified as same property for the three months ended March 31, 2024 for all periods presented.

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

Three Months Ended March 31, 2024 and 2023

CONSOLIDATED RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended March 31, 2024			As of and For the Three Months Ended March 31, 2023		
	Life Science	Medical Office	Total Medical Office and Life Science Portfolio	Life Science	Medical Office	Total Medical Office and Life Science Portfolio
Number of Properties	23	79	102	24	81	105
Square Feet	2,562	5,925	8,487	2,622	6,187	8,809
Occupancy	77.6 %	85.2 %	82.9 %	87.0 %	84.3 %	85.1 %
Rental Income	\$ 16,660	\$ 37,489	\$ 54,149	\$ 19,023	\$ 37,999	\$ 57,022
NOI	\$ 9,720	\$ 20,532	\$ 30,252	\$ 12,197	\$ 21,310	\$ 33,507
Cash Basis NOI	\$ 9,446	\$ 20,616	\$ 30,062	\$ 10,089	\$ 20,671	\$ 30,760
NOI Margin %	58.3 %	54.8 %	55.9 %	64.1 %	56.1 %	58.8 %
Cash Basis NOI Margin %	57.5 %	54.7 %	55.5 %	59.5 %	55.1 %	56.5 %
NOI % Change	(20.3)%	(3.7)%	(9.7)%			
Cash Basis NOI % Change	(6.4)%	(0.3)%	(2.3)%			

SAME PROPERTY RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended March 31, 2024			As of and For the Three Months Ended March 31, 2023		
	Life Science	Medical Office	Total Medical Office and Life Science Portfolio	Life Science	Medical Office	Total Medical Office and Life Science Portfolio
Number of Properties	20	73	93	20	73	93
Square Feet	2,261	5,390	7,651	2,261	5,396	7,657
Occupancy	88.0 %	90.5 %	89.8 %	96.7 %	91.2 %	92.9 %
Rental Income	\$ 16,660	\$ 35,684	\$ 52,344	\$ 17,412	\$ 36,148	\$ 53,560
NOI	\$ 10,336	\$ 20,237	\$ 30,573	\$ 11,525	\$ 21,364	\$ 32,889
Cash Basis NOI	\$ 10,072	\$ 20,568	\$ 30,640	\$ 10,774	\$ 21,009	\$ 31,783
NOI Margin %	62.0 %	56.7 %	58.4 %	66.2 %	59.1 %	61.4 %
Cash Basis NOI Margin %	61.3 %	56.9 %	58.3 %	64.5 %	58.5 %	60.4 %
NOI % Change	(10.3)%	(5.3)%	(7.0)%			
Cash Basis NOI % Change	(6.5)%	(2.1)%	(3.6)%			

SHOP Segment and Same Property - Results of Operations

CONSOLIDATED RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended		
	3/31/2024	12/31/2023	3/31/2023
Number of Properties	232	232	234
Number of Units	25,220	25,209	25,327
Occupancy	78.9 %	79.3 %	76.9 %
Average Monthly Rate	\$ 5,165	\$ 4,918	\$ 4,837
Year Over Year Average Monthly Rate % Change	6.8 %		
Residents Fees and Services	\$ 308,126	\$ 294,336	\$ 279,592
Property Operating Expenses	(283,416)	(278,358)	(262,329)
NOI	\$ 24,710	\$ 15,978	\$ 17,263
NOI Margin %	8.0 %	5.4 %	6.2 %
Sequential NOI % Change	54.7 %		
Year Over Year NOI % Change	43.1 %		

SAME PROPERTY RESULTS OF OPERATIONS ⁽¹⁾

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended		
	3/31/2024	12/31/2023	3/31/2023
Number of Properties	229	229	229
Number of Units	25,160	25,160	25,160
Occupancy	79.0 %	79.3 %	77.1 %
Average Monthly Rate	\$ 5,165	\$ 4,918	\$ 4,837
Year Over Year Average Monthly Rate % Change	6.8 %		
Residents Fees and Services	\$ 308,111	\$ 294,335	\$ 279,416
Property Operating Expenses	(282,820)	(277,610)	(261,805)
NOI	\$ 25,291	\$ 16,725	\$ 17,611
NOI Margin %	8.2 %	5.7 %	6.3 %
Sequential NOI % Change	51.2 %		
Year Over Year NOI % Change	43.6 %		



(1) Same property includes those properties classified as same property for the three months ended March 31, 2024 for all periods presented.

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

CONSOLIDATED RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

Three Months Ended March 31, 2024 and 2023

	As of and For the Three Months Ended March 31, 2024			As of and For the Three Months Ended March 31, 2023		
	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment
Number of Properties	119	113	232	119	115	234
Number of Units	17,647	7,573	25,220	17,704	7,623	25,327
Occupancy	78.7 %	79.2 %	78.9 %	77.4 %	75.8 %	76.9 %
Average Monthly Rate	\$ 4,787	\$ 6,044	\$ 5,165	\$ 4,496	\$ 5,641	\$ 4,837
Average Monthly Rate % Change	6.5 %	7.1 %	6.8 %			
Residents Fees and Services	\$ 199,621	\$ 108,505	\$ 308,126	\$ 182,462	\$ 97,130	\$ 279,592
Property Operating Expenses	(177,599)	(105,817)	(283,416)	(162,642)	(99,687)	(262,329)
NOI	<u>\$ 22,022</u>	<u>\$ 2,688</u>	<u>\$ 24,710</u>	<u>\$ 19,820</u>	<u>\$ (2,557)</u>	<u>\$ 17,263</u>
NOI Margin %	11.0 %	2.5 %	8.0 %	10.9 %	(2.6)%	6.2 %
NOI % Change	11.1 %	205.1 %	43.1 %			

Portfolio Leasing Summary ⁽¹⁾

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

	Medical Office and Life Science Portfolio					Wellness Centers	
	As of and For the Three Months Ended					As of and For the Three Months Ended	As of and For the Three Months Ended
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	3/31/2024	3/31/2023
Properties	102	102	105	105	105	10	10
Total square feet	8,487	8,610	8,809	8,797	8,809	812	812
Occupancy	82.9 %	86.9 %	85.8 %	85.8 %	85.1 %	100.0 %	100.0 %
Leasing Activity (sq. ft.):							
New leases	25	37	45	163	38	—	225
Renewals	76	163	244	161	34	130	—
Total	101	200	289	324	72	130	225
% Change in GAAP Rent: ⁽²⁾							
New leases	35.3 %	34.2 %	25.7 %	0.5 %	23.0 %	— %	(9.9)%
Renewals	7.0 %	15.2 %	12.1 %	2.1 %	12.3 %	7.5 %	— %
Total	11.5 %	18.1 %	14.8 %	1.3 %	17.9 %	7.5 %	(9.9)%
Weighted Average Lease Term (years):							
New leases	6.3	8.8	14.8	8.2	11.9	—	18.6
Renewals	2.9	6.7	6.2	5.7	5.5	5.0	—
Total	3.6	7.1	8.1	6.9	8.9	5.0	18.6
Leasing Costs and Concession Commitments:							
New leases	\$ 1,418	\$ 3,325	\$ 8,054	\$ 8,602	\$ 4,170	\$ —	\$ 30,071
Renewals	696	2,634	6,533	2,038	726	—	—
Total	\$ 2,114	\$ 5,959	\$ 14,587	\$ 10,640	\$ 4,896	\$ —	\$ 30,071
Leasing Costs and Concession Commitments per Sq. Ft.:							
New leases	\$ 56.49	\$ 88.60	\$ 175.80	\$ 52.84	\$ 110.57	\$ —	\$ 133.95
Renewals	\$ 9.18	\$ 16.17	\$ 26.85	\$ 12.66	\$ 20.96	\$ —	\$ —
Total	\$ 20.95	\$ 29.73	\$ 50.45	\$ 32.86	\$ 67.67	\$ —	\$ 133.95
Leasing Costs and Concession Commitments per Sq. Ft. per Year:							
New leases	\$ 8.97	\$ 10.08	\$ 11.87	\$ 6.47	\$ 9.32	\$ —	\$ 7.20
Renewals	\$ 3.16	\$ 2.41	\$ 4.31	\$ 2.23	\$ 3.83	\$ —	\$ —
Total	\$ 5.88	\$ 4.20	\$ 6.24	\$ 4.78	\$ 7.56	\$ —	\$ 7.20

- (1) The leasing summary on this page is based on leases entered into during the periods indicated.
- (2) Percent difference in prior rents charged for same space or, in the case of vacant space acquired, market rental rates for similar space in the building at the date of acquisition. Rents include estimated recurring expense reimbursements paid to DHC, exclude lease value amortization and are net of lease concessions.

Tenants Representing 1% Or More of Total Annualized Rental Income

As of March 31, 2024

(dollars in thousands)

	Type of Property	Annualized Rental Income	% of Annualized Rental Income	Expiration
1 Advocate Aurora Health	Medical office	\$ 16,939	6.6%	2026 - 2031
2 Life Time Athletic ⁽¹⁾	Wellness center	12,284	4.8%	2040 - 2044
3 Brookdale Senior Living, Inc.	Senior living	9,836	3.8%	2032
4 Alamar Biosciences, Inc.	Life science	6,851	2.7%	2034
5 KSQ Therapeutics, Inc.	Life science	5,434	2.1%	2032
6 Merck & Co. Inc.	Life science	5,335	2.1%	2033
7 Stratford Retirement, LLC	Senior living	5,081	2.0%	2033
8 Sonova Holding AG	Life science	4,875	1.9%	2033
9 Boston Children's Hospital	Medical office	4,779	1.8%	2028
10 Magellan Health Inc.	Medical office	4,688	1.8%	2025
11 Stellar Senior Living, LLC	Senior living	4,612	1.8%	2027
12 Medtronic, Inc.	Medical office	4,512	1.7%	2027 - 2028
13 Tokio Marine Holdings Inc.	Medical office	4,335	1.7%	2024 - 2033
14 Abbvie Inc.	Life science	3,965	1.5%	2027
15 United Healthcare Services, Inc.	Medical office	3,926	1.5%	2026
16 Cigna Holding Co.	Medical office	3,914	1.5%	2024
17 Hawaii Pacific Health	Medical office	3,792	1.5%	2024 - 2029
18 HCA Holdings Inc.	Medical office	3,703	1.4%	2024 - 2029
19 Revvity, Inc.	Life science	3,681	1.4%	2028
20 McKesson Corporation	Medical office	3,645	1.4%	2025 - 2029
21 Duke University	Medical office	3,366	1.3%	2024
22 New York University	Medical office	3,246	1.3%	2024 - 2028
23 Ultragenyx Pharmaceutical Inc.	Life science	3,107	1.2%	2026
24 Virginia Commonwealth University Health System	Medical office	2,923	1.1%	2032
25 WRA Management, Inc.	Medical office	2,594	1.0%	2025 - 2045
All Other Tenants		127,059	49.1%	2024 - 2051
Total Tenants		<u>\$ 258,482</u>	<u>100.0%</u>	

(1) Includes \$3,180 of annualized rental income from two additional 20 year leases DHC entered into with Life Time Athletic in March 2023, which are expected to commence in the second and fourth quarters of 2024.

Medical Office and Life Science Portfolio Lease Expiration Schedule

As of March 31, 2024

(dollars in thousands)

Annualized Rental Income Expiring ⁽¹⁾

Year	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2024	\$ 12,366	5.6%	5.6%
2025	17,462	8.0%	13.6%
2026	23,389	10.7%	24.3%
2027	24,605	11.2%	35.5%
2028	35,975	16.4%	51.9%
2029	17,385	7.9%	59.8%
2030	7,750	3.5%	63.3%
2031	26,771	12.2%	75.5%
2032	11,869	5.4%	80.9%
2033 and thereafter	41,721	19.1%	100.0%
Total	\$ 219,293	100.0%	

Average remaining lease term (weighted by annualized rental income): 5.5 years

Square Feet with Leases Expiring ⁽¹⁾

Year	Leased Square Feet Expiring	% of Total Leased Square Feet Expiring	Cumulative % of Total Leased Square Feet Expiring
2024	484,323	6.9%	6.9%
2025	617,857	8.8%	15.7%
2026	739,881	10.5%	26.2%
2027	981,909	14.0%	40.2%
2028	1,161,376	16.5%	56.7%
2029	597,467	8.5%	65.2%
2030	300,877	4.3%	69.5%
2031	917,785	13.0%	82.5%
2032	268,698	3.8%	86.3%
2033 and thereafter	966,376	13.7%	100.0%
Total	7,036,549	100.0%	



(1) Excludes leases that expired on March 31, 2024.

Non-Segment Lease Expiration Schedule

As of March 31, 2024

(dollars in thousands)

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
2024	—	—	\$ —	—%	—%
2025	—	—	—	—%	—%
2026	—	—	—	—%	—%
2027	4	533 units	4,612	11.8%	11.8%
2028	—	—	—	—%	11.8%
2029	1	155 units	547	1.4%	13.2%
2030	5	283 units and 129,500 sq. ft.	5,046	12.9%	26.1%
2031 ⁽¹⁾	—	—	—	—%	26.1%
2032	18	876 units	9,836	25.1%	51.2%
2033 and thereafter	9	215 units and 682,500 sq. ft.	19,148	48.8%	100.0%
Total	37		\$ 39,189	100.0%	

(1) Excludes annualized rental income from DHC's lease with a tenant of one closed senior living community. As of March 31, 2024, the tenant was in default on its obligations to DHC under this lease.

Company Profile and Research Coverage

The Company:

DHC is a REIT focused on owning high-quality healthcare properties located throughout the United States. DHC seeks diversification across the health services spectrum by care delivery and practice type, by scientific research disciplines and by property type and location. As of March 31, 2024, DHC’s approximately \$7.2 billion portfolio included 371 properties in 36 states and Washington, D.C., occupied by approximately 500 tenants, and totaling approximately 8.5 million square feet of life science and medical office properties and more than 27,000 senior living units.

DHC is included in 121 market indices and comprises more than 1% of the following indices as of March 31, 2024: 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 Invesco FTSE RAFI US 1500 Small-Mid ETF INAV Index (PRFZIV).

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 March 31, 2024, RMR had over \$41 billion of real estate assets under management and the combined RMR managed companies had more than \$5 billion of annual revenues, approximately 2,100 properties and over 20,000 employees. DHC believes 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. DHC also believes RMR provides management services to it at costs that are lower than DHC would have to pay for similar quality services if DHC were self-managed.

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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.

Governance Information

Board of Trustees

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Independent Trustee

Lisa Harris Jones
Lead Independent Trustee

Jennifer F. Francis
Managing Trustee

Phyllis M. Hollis
Independent Trustee

Jeffrey P. Somers
Independent Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

Executive Officers

Christopher J. Bilotto
President and Chief Executive Officer

Matthew C. Brown
Chief Financial Officer and Treasurer



Calculation and Reconciliation of NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Calculation of NOI and Cash Basis NOI:					
Revenues:					
Rental income	\$ 62,650	\$ 67,199	\$ 63,390	\$ 61,373	\$ 66,438
Residents fees and services	308,126	294,336	293,134	284,846	279,592
Total revenues	370,776	361,535	356,524	346,219	346,030
Property operating expenses	(307,604)	(303,411)	(298,432)	(286,228)	(286,080)
NOI	63,172	58,124	58,092	59,991	59,950
Non-cash straight line rent adjustments included in rental income	(291)	(238)	(676)	4,457	(2,448)
Lease value amortization included in rental income	28	22	22	25	(311)
Lease termination fees included in rental income	(203)	(419)	(413)	(2,183)	(304)
Non-cash amortization included in property operating expenses	(199)	(201)	(199)	(199)	(199)
Cash Basis NOI	\$ 62,507	\$ 57,288	\$ 56,826	\$ 62,091	\$ 56,688
Reconciliation of Net Loss to NOI and Cash Basis NOI:					
Net loss	\$ (86,259)	\$ (102,564)	\$ (65,779)	\$ (72,571)	\$ (52,658)
Equity in net (earnings) losses of investees	(1,898)	22,598	145	(2,929)	647
Income tax expense (benefit)	187	66	189	221	(31)
Loss on modification or early extinguishment of debt	—	1,393	—	—	1,075
Interest expense	57,576	48,853	47,758	47,384	47,780
Interest and other income	(2,237)	(2,964)	(3,243)	(5,134)	(4,195)
Gains on equity investments, net	—	—	—	—	(8,126)
Losses (gains) on sale of properties	5,874	28	—	—	(1,233)
Impairment of assets	12,142	—	1,156	11,299	5,925
Acquisition and certain other transaction related costs	86	1,041	3,676	6,043	93
General and administrative	7,568	6,020	6,954	7,284	5,873
Depreciation and amortization	70,133	83,653	67,236	68,394	64,800
NOI	63,172	58,124	58,092	59,991	59,950
Non-cash straight line rent adjustments included in rental income	(291)	(238)	(676)	4,457	(2,448)
Lease value amortization included in rental income	28	22	22	25	(311)
Lease termination fees included in rental income	(203)	(419)	(413)	(2,183)	(304)
Non-cash amortization included in property operating expenses	(199)	(201)	(199)	(199)	(199)
Cash Basis NOI	\$ 62,507	\$ 57,288	\$ 56,826	\$ 62,091	\$ 56,688

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

(dollars in thousands)

Calculation of NOI and Cash Basis NOI:	For the Three Months Ended March 31, 2024				For the Three Months Ended December 31, 2023				For the Three Months Ended March 31, 2023			
	Medical Office and Life Science Portfolio	SHOP	Non-Segment	Total	Medical Office and Life Science Portfolio	SHOP	Non-Segment	Total	Medical Office and Life Science Portfolio	SHOP	Non-Segment	Total
Rental income / residents fees and services	\$ 54,149	\$ 308,126	\$ 8,501	\$ 370,776	\$ 55,082	\$ 294,336	\$ 12,117	\$ 361,535	\$ 57,022	\$ 279,592	\$ 9,416	\$ 346,030
Property operating expenses	(23,897)	(283,416)	(291)	(307,604)	(24,727)	(278,358)	(326)	(303,411)	(23,515)	(262,329)	(236)	(286,080)
NOI	\$ 30,252	\$ 24,710	\$ 8,210	\$ 63,172	\$ 30,355	\$ 15,978	\$ 11,791	\$ 58,124	\$ 33,507	\$ 17,263	\$ 9,180	\$ 59,950
NOI	\$ 30,252	\$ 24,710	\$ 8,210	\$ 63,172	\$ 30,355	\$ 15,978	\$ 11,791	\$ 58,124	\$ 33,507	\$ 17,263	\$ 9,180	\$ 59,950
Non-cash straight line rent adjustments included in rental income	184	—	(475)	(291)	255	—	(493)	(238)	(2,302)	—	(146)	(2,448)
Lease value amortization included in rental income	28	—	—	28	22	—	—	22	58	—	(369)	(311)
Lease termination fees included in rental income	(203)	—	—	(203)	(419)	—	—	(419)	(304)	—	—	(304)
Non-cash amortization included in property operating expenses	(199)	—	—	(199)	(201)	—	—	(201)	(199)	—	—	(199)
Cash Basis NOI	\$ 30,062	\$ 24,710	\$ 7,735	\$ 62,507	\$ 30,012	\$ 15,978	\$ 11,298	\$ 57,288	\$ 30,760	\$ 17,263	\$ 8,665	\$ 56,688
Reconciliation of NOI to Same Property NOI:												
NOI	\$ 30,252	\$ 24,710	\$ 8,210	\$ 63,172	\$ 30,355	\$ 15,978	\$ 11,791	\$ 58,124	\$ 33,507	\$ 17,263	\$ 9,180	\$ 59,950
NOI of properties not included in same property results	321	581	(100)	802	1,005	747	(837)	915	(618)	348	—	(270)
Same Property NOI	\$ 30,573	\$ 25,291	\$ 8,110	\$ 63,974	\$ 31,360	\$ 16,725	\$ 10,954	\$ 59,039	\$ 32,889	\$ 17,611	\$ 9,180	\$ 59,680
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:												
Same Property NOI	\$ 30,573	\$ 25,291	\$ 8,110	\$ 63,974	\$ 31,360	\$ 16,725	\$ 10,954	\$ 59,039	\$ 32,889	\$ 17,611	\$ 9,180	\$ 59,680
Non-cash straight line rent adjustments included in rental income	213	—	(475)	(262)	(21)	—	(493)	(514)	(991)	—	(146)	(1,137)
Lease value amortization included in rental income	28	—	—	28	22	—	—	22	58	—	(369)	(311)
Lease termination fees included in rental income	—	—	—	—	(115)	—	—	(115)	—	—	—	—
Non-cash amortization included in property operating expenses	(174)	—	—	(174)	(174)	—	—	(174)	(173)	—	—	(173)
Same Property Cash Basis NOI	\$ 30,640	\$ 25,291	\$ 7,635	\$ 63,566	\$ 31,072	\$ 16,725	\$ 10,461	\$ 58,258	\$ 31,783	\$ 17,611	\$ 8,665	\$ 58,059

Calculation and Reconciliation of EBITDA, EBITDAre and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net loss	\$ (86,259)	\$ (102,564)	\$ (65,779)	\$ (72,571)	\$ (52,658)
Interest expense	57,576	48,853	47,758	47,384	47,780
Income tax expense (benefit)	187	66	189	221	(31)
Depreciation and amortization	70,133	83,653	67,236	68,394	64,800
EBITDA	41,637	30,008	49,404	43,428	59,891
Loss (gain) on sale of properties	5,874	28	—	—	(1,233)
Impairment of assets	12,142	—	1,156	11,299	5,925
Equity in net (earnings) losses of investees	(1,898)	22,598	145	(2,929)	647
Share of EBITDAre from unconsolidated joint ventures	3,838	3,781	3,762	3,730	3,813
Adjustments to reflect DHC's share of EBITDAre attributable to an equity method investment ⁽¹⁾	1,047	—	—	—	(1,117)
EBITDAre	62,640	56,415	54,467	55,528	67,926
General and administrative expense paid in common shares	558	340	666	565	269
Business management incentive fees	849	—	—	—	—
Acquisition and certain other transaction related costs	86	1,041	3,676	6,043	93
Loss on modification or early extinguishment of debt	—	1,393	—	—	1,075
Gains on equity securities, net	—	—	—	—	(8,126)
Adjustments to reflect DHC's share of Adjusted EBITDAre attributable to an equity method investment ⁽¹⁾	(73)	—	—	—	1,455
Adjusted EBITDAre	<u>\$ 64,060</u>	<u>\$ 59,189</u>	<u>\$ 58,809</u>	<u>\$ 62,136</u>	<u>\$ 62,692</u>

(1) For the three months ended March 31, 2024, represents DHC's 34% pro rata share of AlerisLife's EBITDAre and Adjusted EBITDAre for DHC's period of ownership from February 16, 2024 to March 31, 2024.

Calculation and Reconciliation of FFO and Normalized FFO

(amounts in thousands, except per share data)

	For the Three Months Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net loss	\$ (86,259)	\$ (102,564)	\$ (65,779)	\$ (72,571)	\$ (52,658)
Depreciation and amortization	70,133	83,653	67,236	68,394	64,800
Loss (gain) on sale of properties	5,874	28	—	—	(1,233)
Impairment of assets	12,142	—	1,156	11,299	5,925
Gains on equity securities, net	—	—	—	—	(8,126)
Equity in net (earnings) losses of investees	(1,898)	22,598	145	(2,929)	647
Share of FFO from unconsolidated joint ventures	2,014	1,930	1,912	1,897	1,999
Adjustments to reflect DHC's share of FFO attributable to an equity method investment ⁽¹⁾	582	—	—	—	(1,586)
FFO	2,588	5,645	4,670	6,090	9,768
Business management incentive fees	849	—	—	—	—
Acquisition and certain other transaction related costs	86	1,041	3,676	6,043	93
Loss on modification or early extinguishment of debt	—	1,393	—	—	1,075
Adjustments to reflect DHC's share of Normalized FFO attributable to an equity method investment ⁽¹⁾	—	—	—	—	1,576
Normalized FFO	\$ 3,523	\$ 8,079	\$ 8,346	\$ 12,133	\$ 12,512
Weighted average common shares outstanding (basic and diluted)	239,193	239,175	238,892	238,682	238,589
Per Common Share Data (basic and diluted):					
Net loss	\$ (0.36)	\$ (0.43)	\$ (0.28)	\$ (0.30)	\$ (0.22)
FFO	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.04
Normalized FFO	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.05

(1) For the three months ended March 31, 2024, represents DHC's 34% pro rata share of AlerisLife's FFO and Normalized FFO for DHC's period of ownership from February 16, 2024 to March 31, 2024.

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures

DHC presents 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 EBITDA_{re}, Adjusted EBITDA_{re}, funds from operations, or FFO, and normalized funds from operations, or Normalized FFO. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of DHC's operating performance or as measures of DHC's liquidity. These measures should be considered in conjunction with net income (loss) as presented in DHC's condensed consolidated statements of income (loss). DHC considers these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). DHC believes 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 DHC's 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 DHC's 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 DHC's property level results of operations. DHC calculates NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI as shown on pages [31](#) and [32](#). DHC defines NOI as income from its real estate less its property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that DHC records as depreciation and amortization. DHC defines Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization, lease termination fees, if any, and non-cash amortization included in property operating expenses. DHC calculates same property NOI and same property Cash Basis NOI in the same manner that it calculates the corresponding NOI and Cash Basis NOI amounts, except that it only includes same properties in calculating same property NOI and same property Cash Basis NOI. DHC uses 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 DHC does.

EBITDA, EBITDA_{re} and Adjusted EBITDA_{re}

DHC calculates EBITDA, EBITDA_{re} and Adjusted EBITDA_{re} as shown on page [33](#). EBITDA_{re} 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 net earnings or losses of investees, impairment of real estate assets, if any, and including adjustments to reflect DHC's proportionate share of EBITDA_{re} of DHC's equity method investees, as well as certain other adjustments currently not applicable to DHC. In calculating Adjusted EBITDA_{re}, DHC adjusts for the items shown on page [33](#) and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. Other real estate companies and REITs may calculate EBITDA, EBITDA_{re} and Adjusted EBITDA_{re} differently than DHC does.

FFO and Normalized FFO

DHC calculates FFO and Normalized FFO as shown on page [34](#). FFO is calculated on the basis defined by Nareit, which is net income (loss), calculated in accordance with GAAP, excluding any gain or loss on sale of properties, equity in net earnings or losses of investees, loss on impairment of real estate assets, gains or losses on equity securities, net, if any, and including adjustments to reflect DHC's proportionate share of FFO of DHC's equity method investees, plus real estate depreciation and amortization of consolidated properties, as well as certain other adjustments currently not applicable to DHC. In calculating Normalized FFO, DHC adjusts for the items shown on page [34](#), including similar adjustments for DHC's unconsolidated joint ventures, if any, and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by DHC's Board of Trustees when determining the amount of distributions to its shareholders. Other factors include, but are not limited to, requirements to maintain DHC's qualification for taxation as a REIT, limitations in the agreements governing DHC's debt, the availability to DHC of debt and equity capital, DHC's expectation of its future capital requirements and operating performance, and DHC's expected needs for and availability of cash to pay its obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than DHC does.

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, or Nasdaq, at the end of the relevant period.

Annualized rental income Annualized rental income is based on rents pursuant to existing leases as of March 31, 2024. Annualized rental income includes estimated percentage rents, straight line rent adjustments and estimated recurring expense reimbursements for certain net and modified gross leases, and excludes lease value amortization. Amounts of annualized rental income for DHC's medical office and life science properties also exclude 100% of rents pursuant to existing leases as of March 31, 2024 from the medical office and life science properties owned by unconsolidated joint ventures in which DHC owns an equity interest.

Average monthly rate Reflects the average monthly residents fees and services per occupied unit for the period presented. The average monthly rate is calculated based on the actual number of days during the period.

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.

Business management incentive fees Business management incentive fees are fees under our management agreement with RMR and are payable after the end of each calendar year, are calculated based on common share total return, as defined, compared to returns for the MSCI U.S. REIT/Health Care REIT Index over the applicable measurement period and are included in general and administrative in DHC's consolidated statements of income (loss). In calculating net income (loss) in accordance with GAAP, DHC recognizes estimated business management incentive fee expense, if any, in the first, second and third quarters. Although DHC recognizes this expense, if any, in the first, second and third quarters for the purpose of calculating net income (loss), DHC does not include these amounts in the calculation of Normalized FFO or Adjusted EBITDA until the fourth quarter, when the amount of business management incentive fee expense for the calendar year, if any, is determined.

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 fees, 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 and modification or early extinguishment of debt, 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 DHC invests in revenue producing capital improvements at certain of its triple net leased senior living communities. As a result, annual rents payable to DHC increase pursuant to the terms of the applicable leases. These capital improvements are not included in DHC's development, redevelopment and other activities.

Non-GAAP Financial Measures and Certain Definitions (continued)

Estimated completion date Estimated completion date can depend on various factors, including when lease agreements are signed with tenants in DHC's Medical Office and Life Science Portfolio. 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 senior living communities in DHC's SHOP segment that are managed by Five Star.

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 DHC is required to comply with in order to incur debt under its senior secured and unsecured notes indentures and their supplements.

Interest rate Interest rate includes the effect of mark to market accounting for certain assumed mortgages and premiums and discounts on certain mortgages and secured and unsecured notes; excludes effects of debt issuance costs.

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 March 31, 2024.

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 DHC's maintenance covenant is a financial covenant which it is required to comply with on a quarterly basis pursuant to the indentures governing DHC's senior secured and 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 and wellness centers that are leased to third party operators from which DHC receives rents, and any other income or expenses that are not attributable to a specific reporting segment.

Non-GAAP Financial Measures and Certain Definitions (continued)

Occupancy Occupancy for DHC's Medical Office and Life Science Portfolio is presented as of the end of the period shown; occupancy for DHC's SHOP segment is presented for the duration of the period shown. 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.

Medical Office and Life Science Portfolio Medical Office and Life Science 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. DHC's 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 DHC is responsible for the operation and maintenance of the properties and DHC charges tenants for some or all of the property operating costs. A small percentage of DHC's medical office and life science property leases are full-service leases where DHC receives fixed rent from its tenants and no reimbursement for its property operating costs.

Other operator managed communities Other operator managed communities are senior living communities in DHC's SHOP segment, which are managed by third party managers other than Five Star.

Principal balance Principal balances are the amounts stated in the contracts less the principal amount of any repayments made. In accordance with GAAP, DHC's carrying values and recorded interest expense may be different because of market conditions at the time DHC assumed certain of these debts.

Rent coverage Rent coverage is calculated using the annualized operating cash flows from our triple net lease tenants' operations of our properties, before subordinated charges, if any, divided by annualized rental income. DHC has not independently verified tenant operating data. Excludes data for historical periods prior to DHC's ownership of certain properties, as well as data for properties sold or classified as held for sale, if any, or for which there was a transfer of operations during the periods presented. Excludes rent coverage for one of DHC's closed senior living communities, the tenant of which was in default under the applicable lease with DHC as of March 31, 2024.

Same Property As of and for the three months ended March 31, 2024, same property consists of properties owned, in service, reported in the same segment and operated by the same operator continuously since January 1, 2023; excludes properties classified as held for sale, closed or out of service, if any, and medical office and life science properties owned by unconsolidated joint ventures in which DHC owns 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 DHC pays 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.

SOFR SOFR is the one month term secured overnight financing rate.

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 DHC owns 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 excludes accounts receivable and intangible assets.

Non-GAAP Financial Measures and Certain Definitions (continued)

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 DHC's senior living communities within its SHOP segment.

Weighted average lease term Weighted average lease term is weighted based on annualized rental income pursuant to existing leases as of March 31, 2024.

Warning Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: the performance of DHC’s SHOP and Medical Office and Life Science Portfolio segments; DHC’s prior guidance remaining unchanged; DHC’s ability to advance key initiatives and strengthen its capital and liquidity position and drive performance; DHC’s potential exercise of its option to extend the maturity date of its zero coupon senior secured notes; DHC’s ability to continue to fund capital expenditures in accordance with its business plan; DHC’s redevelopment, repositioning and construction activities and plans; and DHC’s pending or potential property dispositions.

Forward-looking statements reflect DHC’s current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause DHC’s actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause DHC’s actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following: the impact of unfavorable market and commercial real estate industry conditions due to possible reduced demand for healthcare related space and senior living communities, high interest rates, wage and commodity price inflation, limited labor availability, increased insurance costs, supply chain disruptions, volatility in the public equity and debt markets, pandemics, geopolitical instability and tensions, economic downturns or a possible recession or changes in real estate utilization, among other things, on DHC and its managers and other operators and tenants; DHC’s senior living operators’ abilities to successfully and profitably operate the communities they manage for DHC; the continuing impact of changing market practices, including those that arose or intensified during the COVID-19 pandemic, or delayed returns to prior market practices on DHC and its managers and other operators and tenants, such as reduced demand for leased medical office, life science and other space of DHC and residencies at senior living communities, increased operating costs and labor availability constraints; the financial strength of DHC’s managers and other operators and tenants; whether the aging U.S. population and increasing life spans of seniors will increase the demand for senior living communities and other medical and healthcare related properties and healthcare services; whether DHC’s tenants will renew or extend their leases or whether DHC will obtain replacement tenants on terms as favorable to DHC as its prior leases; the likelihood that DHC’s tenants and residents will pay rent or be negatively impacted by continuing unfavorable market and commercial real estate industry conditions; DHC’s managers’ abilities to increase or maintain rates charged to residents of DHC’s senior living communities and manage operating costs for those communities; DHC’s ability to increase or maintain occupancy at its properties on terms desirable to DHC; DHC’s ability to increase rents when its leases expire or renew; costs DHC incurs and concessions it grants to lease its properties; risk and uncertainties regarding the costs and timing of development, redevelopment and repositioning activities, including as a result of prolonged high inflation, cost overruns, supply chain challenges, labor shortages, construction delays or inability to obtain necessary permits or volatility in the commercial real estate markets; DHC’s ability to manage its capital expenditures and other operating costs effectively and to maintain and enhance its properties and their appeal to tenants and residents; DHC’s ability to effectively raise and balance its use of debt and equity capital; DHC’s ability to comply with the financial covenants under its debt agreements; DHC’s ability to make required payments on its debt; DHC’s ability to maintain sufficient liquidity and otherwise manage leverage; DHC’s credit ratings; DHC’s ability to sell properties at prices or returns it targets; DHC’s ability to sell additional equity interests in, or contribute additional properties to, its existing joint ventures, or enter into additional real estate joint ventures or to attract co-venturers and benefit from DHC’s existing joint ventures or any real estate joint ventures it may enter into; DHC’s ability to acquire, develop, redevelop or reposition properties that realize its targeted returns; DHC’s ability to pay distributions to its shareholders and to maintain or increase the amount of such distributions; the ability of RMR to successfully manage DHC; competition in the real estate industry, particularly in those markets in which DHC’s properties are located; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters; exposure to litigation and regulatory and government proceedings due to the nature of the senior living and other health and wellness related service businesses; actual and potential conflicts of interest with DHC’s related parties, including DHC’s Managing Trustees, RMR, ABP Trust, AlerisLife and others affiliated with them; limitations imposed by and DHC’s ability to satisfy complex rules to maintain DHC’s qualification for taxation as a REIT for U.S. federal income tax purposes; acts of terrorism, outbreaks of pandemics or other public health safety events or conditions, war or other hostilities, global climate change or other manmade or natural disasters beyond DHC’s control; and other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in DHC’s periodic filings. The information contained in DHC’s filings with the SEC, including under the caption “Risk Factors” in its periodic reports, or incorporated therein, identifies important factors that could cause differences from the forward-looking statements in this presentation. DHC’s filings with the SEC are available on the SEC’s website at www.sec.gov. You should not place undue reliance upon DHC’s forward-looking statements. Except as required by law, DHC does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.