



FOR IMMEDIATE RELEASE

SABRA REPORTS FIRST QUARTER 2026 RESULTS; REITERATES 2026 GUIDANCE

TUSTIN, CA, April 29, 2026 — Sabra Health Care REIT, Inc. (“Sabra,” the “Company” or “we”) (Nasdaq: SBRA) today announced its results of operations for the first quarter of 2026.

FIRST QUARTER 2026 RESULTS AND RECENT EVENTS

- Results per diluted common share for the first quarter of 2026 were as follows:
 - Net Income: \$0.16
 - FFO: \$0.37
 - Normalized FFO: \$0.38
 - AFFO: \$0.39
 - Normalized AFFO: \$0.39
- EBITDARM Coverage Summary:
 - Skilled Nursing/Transitional Care: 2.46x
 - Senior Housing - Leased: 1.58x
 - Behavioral Health, Specialty Hospitals and Other: 4.00x
- On a year-over-year basis, same property managed senior housing Cash NOI increased 14.4% for the first quarter of 2026.
- In the first quarter of 2026, Sabra acquired three managed senior housing properties and one skilled nursing facility, and committed to funding a preferred equity investment in the development of one senior housing community for a total of \$102.0 million with an average initial cash yield of 8.3%, with \$96.0 million invested as of March 31, 2026. Subsequent to quarter end, Sabra closed on two additional managed senior housing properties and committed to funding the redevelopment of a senior housing community, which is subject to a triple-net lease with an existing relationship, for an aggregate consideration of \$104.1 million with an average initial cash yield of 7.7%. Investments closed year to date total \$206.1 million, with an estimated initial cash yield of 8.0%.
- Sabra has been awarded an additional \$200 million of managed senior housing and skilled nursing investments with an estimated initial cash yield of approximately 8.2%, most of which is expected to close during the second quarter. These investments are currently in the Letter of Intent or later stage, and Sabra expects to fund these investments, if consummated, with available liquidity, including proceeds from outstanding forward sales agreements under its current and prior at-the-market equity offering programs (“ATM programs”).
- Subsequent to quarter end, Sabra completed the disposition of three skilled nursing facilities for gross proceeds of \$79.4 million, equating to a 6.8% lease yield.
- During the first quarter of 2026, Sabra utilized the forward feature of the ATM program to allow for the sale of up to 6.4 million shares of the Company’s common stock at an initial weighted average price of \$20.19 per share. As of March 31, 2026, 23.7 million shares remained outstanding under forward sale agreements at a weighted average price of \$19.03 per share, net of commissions.
- As of March 31, 2026, Net Debt to Adjusted EBITDA was 5.04x.



- On April 29, 2026, Sabra’s Board of Directors declared a quarterly cash dividend of \$0.30 per share of common stock. The dividend will be paid on May 29, 2026, to common stockholders of record as of the close of business on May 15, 2026.

Commenting on the first quarter’s results, Rick Matros, CEO and Chair, said, “Sabra is pleased to report another quarter with outstanding results. Our year-over-year same-store managed senior housing NOI growth exceeded the two previous quarters as we saw NOI margin growth in our consolidated, unconsolidated and same-store portfolios. Our pipeline remains robust as we closed or have been awarded over \$400 million in investments to date, closing in on our investment total for all of 2025. We are also executing on off-market skilled nursing deals with existing operators. Our rent coverage for all triple net asset classes hit new highs, and we are reiterating our full-year guidance.

We appreciate the amazing work happening in the field by all the teams in the facilities. It is a mission-driven business, and their dedication exemplifies that.”

LIQUIDITY

As of March 31, 2026, we had approximately \$1.2 billion of liquidity, consisting of unrestricted cash and cash equivalents of \$116.5 million, available borrowings under our revolving credit facility of \$645.0 million and \$451.0 million related to shares outstanding under forward sale agreements under the ATM programs. As of March 31, 2026, we also had \$353.4 million available under our current ATM program.

CONFERENCE CALL AND COMPANY INFORMATION

A conference call with a simultaneous webcast to discuss the 2026 first quarter results will be held on Thursday, April 30, 2026, at 10:00 am Pacific Time. The webcast URL is <https://events.q4inc.com/attendee/961345479>. The dial-in number for U.S. participants is (888) 880-4448. For participants outside the U.S., the dial-in number is (646) 960-0572. The conference ID number is 1382596. A digital replay of the call will be available on the Company’s website at www.sabrahealth.com. The Company’s supplemental information package for the first quarter will also be available on the Company’s website in the “Investors” section.

ABOUT SABRA

As of March 31, 2026, Sabra’s investment portfolio included 361 real estate properties held for investment (consisting of (i) 208 skilled nursing/transitional care facilities, (ii) 32 senior housing communities (“senior housing - leased”), (iii) 90 senior housing communities operated by third-party property managers pursuant to property management agreements (“senior housing - managed”), (iv) 16 behavioral health facilities and (v) 15 specialty hospitals and other facilities), three assets held for sale, 13 investments in loans receivable (consisting of three mortgage loans and 10 other loans), five preferred equity investments and two investments in unconsolidated joint ventures. As of March 31, 2026, Sabra’s real estate properties held for investment included 36,412 beds/units, spread across the United States and Canada.

FORWARD-LOOKING STATEMENTS SAFE HARBOR

This release contains “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. Any statements that do not relate to historical or current facts or matters are forward-looking statements. These statements may be identified, without limitation, by the use of “expects,” “believes,” “intends,” “should” or comparable terms or the negative thereof. Examples of forward-looking statements include all statements regarding our other expectations regarding our future financial position (including our earnings guidance for 2026, as well as the assumptions set forth therein); our expectations regarding our results of operations, cash flows, liquidity, business strategy, growth opportunities, potential investments and dispositions; our expectations regarding our investment activity; and our plans and objectives for future operations.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following: the ability to reach a definitive agreement for awarded investments and our ability to close such acquisitions on the expected terms or at all; increases in market interest rates and inflation; pandemics or epidemics, and the related impact on our tenants, borrowers and senior housing - managed communities; operational risks with respect to our senior housing - managed communities; increased labor costs and labor shortages; competitive conditions in our industry; the loss of key management personnel; uninsured or underinsured losses affecting our properties; potential impairment charges and adjustments related to the accounting of our assets; risks associated with our investment in our unconsolidated joint ventures; catastrophic weather and other natural or man-made disasters, the effects of climate change on



our properties and a failure to implement sustainable and energy-efficient measures; increased operating costs and competition for our tenants, borrowers and senior housing - managed communities; increased healthcare regulation and enforcement; our tenants' dependency on reimbursement from governmental and other third-party payor programs; the effect of our tenants, operators or borrowers declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; the impact of required regulatory approvals of transfers of healthcare properties; environmental compliance costs and liabilities associated with real estate properties we own; our tenants', borrowers' or operators' failure to adhere to applicable privacy and data security laws; a material breach of our or our tenants', borrowers' or operators' information technology; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; adverse changes in our credit ratings; our ability to make dividend distributions at expected levels; our ability to raise capital through equity and debt financings; changes and uncertainty in macroeconomic conditions and disruptions in the financial markets; risks associated with our ownership of property outside the U.S., including currency fluctuations; the relatively illiquid nature of real estate investments; our ability to maintain our status as a real estate investment trust ("REIT") under the federal tax laws; compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT; changes in tax laws and regulations affecting REITs; the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities; and the exclusive forum provisions in our bylaws.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings with the Securities and Exchange Commission (the "SEC"), including in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, unless required by law to do so.

TENANT AND BORROWER INFORMATION

This release includes information regarding certain of our tenants that lease properties from us and our borrowers, most of which are not subject to SEC reporting requirements. The information related to our tenants and borrowers that is provided in this release has been provided by, or derived from information provided by, such tenants and borrowers. We have not independently verified this information. We have no reason to believe that such information is inaccurate in any material respect. We are providing this data for informational purposes only.

NOTE REGARDING NON-GAAP FINANCIAL MEASURES

This release includes the following financial measures defined as non-GAAP financial measures by the SEC: Net Debt to Adjusted EBITDA, funds from operations ("FFO"), Normalized FFO, Adjusted FFO ("AFFO"), Normalized AFFO, FFO per diluted common share, Normalized FFO per diluted common share, AFFO per diluted common share, Normalized AFFO per diluted common share, net operating income ("NOI") and Cash NOI. These measures may be different than non-GAAP financial measures used by other companies, and the presentation of these measures is not intended to be considered in isolation or as a substitute for financial information prepared and presented in accordance with U.S. generally accepted accounting principles. An explanation of these non-GAAP financial measures is included under "Reporting Definitions" in this release, and reconciliations of these non-GAAP financial measures to the GAAP financial measures we consider most comparable are included on the Investors section of our website at <https://ir.sabrahealth.com/investors/financials/quarterly-results>.

CONTACT

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SABRA HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2026	2025
Revenues:		
Rental and related revenues ⁽¹⁾	\$ 95,050	\$ 96,037
Resident fees and services	116,685	77,447
Interest and other income	10,018	10,059
Total revenues	221,753	183,543
Expenses:		
Depreciation and amortization	53,131	43,494
Interest	28,409	27,100
Triple-net portfolio operating expenses	3,773	3,479
Senior housing - managed portfolio operating expenses	81,869	56,454
General and administrative	14,862	12,728
Recovery of loan losses	(213)	(173)
Impairment of real estate	440	—
Total expenses	182,271	143,082
Other (expense) income	(55)	38
Income before income from unconsolidated joint ventures and income tax expense	39,427	40,499
Income from unconsolidated joint ventures	1,912	218
Income tax expense	(526)	(413)
Net income	40,813	40,304
Net loss attributable to noncontrolling interests	67	—
Net income attributable to Sabra Health Care REIT, Inc.	\$ 40,880	\$ 40,304
Net income attributable to Sabra Health Care REIT, Inc., per:		
Basic common share	\$ 0.16	\$ 0.17
Diluted common share	\$ 0.16	\$ 0.17
Weighted average number of common shares outstanding, basic	252,135,103	237,891,035
Weighted average number of common shares outstanding, diluted	255,965,287	240,295,817

⁽¹⁾ See the following page for additional details regarding rental and related revenues.

SABRA HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF INCOME - SUPPLEMENTAL INFORMATION

(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash rental income	\$ 89,764	\$ 90,071
Straight-line rental income	540	723
Write-offs of lease intangibles	—	566
Above/below market lease amortization	1,059	1,139
Operating expense recoveries	3,687	3,538
Rental and related revenues	<u>\$ 95,050</u>	<u>\$ 96,037</u>

SABRA HEALTH CARE REIT, INC.
CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data)

	March 31, 2026	December 31, 2025
Assets		
Real estate investments, net of accumulated depreciation of \$1,257,489 and \$1,224,663 as of March 31, 2026 and December 31, 2025, respectively	\$ 4,702,791	\$ 4,686,377
Loans receivable and other investments, net	432,909	434,100
Investment in unconsolidated joint ventures	116,537	118,166
Cash and cash equivalents	116,530	71,537
Restricted cash	6,921	6,603
Lease intangible assets, net	67,414	65,321
Accounts receivable, prepaid expenses and other assets, net	148,088	111,292
Total assets	\$ 5,591,190	\$ 5,493,396
Liabilities		
Secured debt, net	\$ 42,756	\$ 43,275
Revolving credit facility	354,979	217,584
Term loans, net	1,031,083	1,032,311
Senior unsecured notes, net	1,236,333	1,235,726
Accounts payable and accrued liabilities	117,947	119,329
Lease intangible liabilities, net	20,178	21,383
Total liabilities	2,803,276	2,669,608
Equity		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2026 and December 31, 2025	—	—
Common stock, \$0.01 par value; 500,000,000 shares authorized, 252,190,095 and 251,697,456 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	2,522	2,517
Additional paid-in capital	4,832,664	4,836,270
Cumulative distributions in excess of net income	(2,049,843)	(2,013,375)
Accumulated other comprehensive income (loss)	691	(3,571)
Total Sabra Health Care REIT, Inc. stockholders' equity	2,786,034	2,821,841
Noncontrolling interests	1,880	1,947
Total equity	2,787,914	2,823,788
Total liabilities and equity	\$ 5,591,190	\$ 5,493,396

SABRA HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 40,813	\$ 40,304
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	53,131	43,494
Non-cash rental and related revenues	(1,599)	(2,428)
Non-cash interest income	—	4
Non-cash interest expense	2,368	1,729
Stock-based compensation expense	3,098	2,711
Recovery of loan losses	(213)	(173)
Impairment of real estate	440	—
Income from unconsolidated joint ventures	(1,912)	(218)
Distributions of earnings from unconsolidated joint ventures	1,657	2,368
Changes in operating assets and liabilities:		
Accounts receivable, prepaid expenses and other assets, net	(1,534)	(2,822)
Accounts payable and accrued liabilities	2,113	(4,706)
Net cash provided by operating activities	<u>98,362</u>	<u>80,263</u>
Cash flows from investing activities:		
Acquisition of real estate and lease intangibles	(96,101)	(7,854)
Origination and fundings of loans receivable	—	(1,710)
Origination and fundings of preferred equity investments	(15)	(9)
Additions to real estate	(11,851)	(7,783)
Escrow deposits for potential investments	(430)	—
Repayments of loans receivable	1,944	1,129
Repayments of preferred equity investments	1,256	813
Investment in unconsolidated joint ventures	—	(1,030)
Insurance proceeds	107	—
Net cash used in investing activities	<u>(105,090)</u>	<u>(16,444)</u>
Cash flows from financing activities:		
Net borrowings from (repayments of) revolving credit facility	137,800	(23,881)
Principal payments on secured debt	(531)	(517)
Payments of deferred financing costs	(92)	(80)
Contributions from noncontrolling interests	4	—
Payment of contingent consideration	(1,178)	—
Issuance of common stock, net	(8,247)	(5,391)
Dividends paid on common stock	(75,657)	(71,373)
Net cash provided by (used in) financing activities	<u>52,099</u>	<u>(101,242)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	45,371	(37,423)
Effect of foreign currency translation on cash, cash equivalents and restricted cash	(60)	(19)
Cash, cash equivalents and restricted cash, beginning of period	78,140	66,339
Cash, cash equivalents and restricted cash, end of period	<u>\$ 123,451</u>	<u>\$ 28,897</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 15,071</u>	<u>\$ 20,233</u>

SABRA HEALTH CARE REIT, INC.
FUNDS FROM OPERATIONS (FFO), NORMALIZED FFO,
ADJUSTED FUNDS FROM OPERATIONS (AFFO) AND NORMALIZED AFFO

(dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2026	2025
Net income attributable to Sabra Health Care REIT, Inc.	\$ 40,880	\$ 40,304
Add:		
Depreciation and amortization of real estate assets	53,131	43,494
Depreciation and amortization of real estate assets related to noncontrolling interests	(122)	—
Depreciation and amortization of real estate assets related to unconsolidated joint ventures	1,527	2,180
Impairment of real estate	440	—
FFO attributable to Sabra Health Care REIT, Inc.	\$ 95,856	\$ 85,978
Write-offs of lease intangibles	—	(566)
Recovery of loan losses	(213)	(173)
Other normalizing items ⁽¹⁾	465	2
Normalized FFO attributable to Sabra Health Care REIT, Inc.	\$ 96,108	\$ 85,241
FFO attributable to Sabra Health Care REIT, Inc.	\$ 95,856	\$ 85,978
Stock-based compensation expense	3,098	2,711
Non-cash rental and related revenues	(1,599)	(2,428)
Non-cash interest expense	2,368	1,729
Recovery of loan losses	(213)	(173)
Other adjustments related to unconsolidated joint ventures	76	(109)
Other adjustments	507	446
AFFO attributable to Sabra Health Care REIT, Inc.	\$ 100,093	\$ 88,154
Other normalizing items ⁽¹⁾	458	84
Normalized AFFO attributable to Sabra Health Care REIT, Inc.	\$ 100,551	\$ 88,238
Amounts per diluted common share attributable to Sabra Health Care REIT, Inc.:		
Net income	\$ 0.16	\$ 0.17
FFO	\$ 0.37	\$ 0.36
Normalized FFO	\$ 0.38	\$ 0.35
AFFO	\$ 0.39	\$ 0.37
Normalized AFFO	\$ 0.39	\$ 0.37
Weighted average number of common shares outstanding, diluted:		
Net income, FFO and Normalized FFO	255,965,287	240,295,817
AFFO and Normalized AFFO	257,228,587	241,513,735

⁽¹⁾ Other normalizing items for FFO and AFFO primarily include triple-net operating expenses, net of recoveries.

REPORTING DEFINITIONS

Adjusted EBITDA*

Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation and amortization (“EBITDA”) excluding the impact of merger-related costs, stock-based compensation expense under the Company’s long-term equity award program, and loan loss reserves. Adjusted EBITDA is an important non-GAAP supplemental measure of operating performance.

Behavioral Health

Includes behavioral hospitals that provide inpatient and outpatient care for patients with mental health conditions, chemical dependence or substance addictions and addiction treatment centers that provide treatment services for chemical dependence and substance addictions, which may include inpatient care, outpatient care, medical detoxification, therapy and counseling.

Cash Net Operating Income (“Cash NOI”)*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers Cash NOI an important supplemental measure because it allows investors, analysts and its management to evaluate the operating performance of its investments. The Company defines Cash NOI as total revenues less operating expenses and non-cash revenues and expenses. Cash NOI excludes all other financial statement amounts included in net income and is presented at Sabra’s pro rata share.

EBITDARM

Earnings before interest, taxes, depreciation, amortization, rent and management fees (“EBITDARM”) for a particular facility accruing to the operator/tenant of the property (not the Company), for the period presented. The Company uses EBITDARM in determining EBITDARM Coverage. EBITDARM has limitations as an analytical tool. EBITDARM does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, EBITDARM does not represent a property’s net income or cash flows from operations and should not be considered an alternative to those indicators. The Company utilizes EBITDARM to evaluate the core operations of the properties by eliminating management fees, which may vary by operator/tenant and operating structure, and as a supplemental measure of the ability of the Company’s operators/tenants and relevant guarantors to generate sufficient liquidity to meet related obligations to the Company.

EBITDARM Coverage

Represents the ratio of EBITDARM to cash rent for owned facilities (excluding Senior Housing - Managed communities) for the period presented. EBITDARM Coverage is a supplemental measure of a property’s ability to generate cash flows for the operator/tenant (not the Company) to meet the operator’s/tenant’s related cash rent and other obligations to the Company. However, its usefulness is limited by, among other things, the same factors that limit the usefulness of EBITDARM. EBITDARM Coverage includes only Stabilized Facilities and excludes facilities for which data is not available or meaningful.

Funds From Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”)*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company also believes that funds from operations, or FFO, as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts (“Nareit”), and adjusted funds from operations, or AFFO (and related per share amounts) are important non-GAAP supplemental measures of the Company’s operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a real estate investment trust that uses historical cost accounting for depreciation could be less informative. Thus, Nareit created FFO as a supplemental measure of operating performance for real estate investment trusts that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from real estate dispositions and the Company’s share of gains or losses from real estate dispositions related to its unconsolidated joint ventures, plus real estate depreciation and amortization, net of amounts related to noncontrolling interests, plus the Company’s share of depreciation and amortization related to its unconsolidated joint ventures, and real estate impairment charges of both consolidated and unconsolidated entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. AFFO is defined as FFO excluding stock-based compensation expense, non-cash rental and related revenues, non-cash interest income, non-cash interest expense, non-cash portion of loss on extinguishment of debt, provision for (recovery of) loan losses and other reserves, non-cash lease termination income and deferred income taxes, as well as other non-cash revenue and expense items (including noncapitalizable acquisition costs, transaction costs related to operator transitions and organizational or other restructuring activities, gain/loss on derivative

REPORTING DEFINITIONS

instruments, and non-cash revenue and expense amounts related to noncontrolling interests) and the Company's share of non-cash adjustments related to its unconsolidated joint ventures. The Company believes that the use of FFO and AFFO (and the related per share amounts), combined with the required GAAP presentations, improves the understanding of the Company's operating results among investors and makes comparisons of operating results among real estate investment trusts more meaningful. The Company considers FFO and AFFO to be useful measures for reviewing comparative operating and financial performance because, by excluding the applicable items listed above, FFO and AFFO can help investors compare the operating performance of the Company between periods or as compared to other companies. While FFO and AFFO are relevant and widely used measures of operating performance of real estate investment trusts, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance. FFO and AFFO also do not consider the costs associated with capital expenditures related to the Company's real estate assets nor do they purport to be indicative of cash available to fund the Company's future cash requirements. Further, the Company's computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other real estate investment trusts that do not define FFO in accordance with the current Nareit definition or that interpret the current Nareit definition or define AFFO differently than the Company does.

Investment

Represents the carrying amount of real estate assets after adding back accumulated depreciation and amortization and excludes net intangible assets and liabilities.

Net Debt*

The principal balances of the Company's revolving credit facility, term loans, senior unsecured notes, and secured indebtedness as reported in the Company's consolidated financial statements, net of cash and cash equivalents as reported in the Company's consolidated financial statements.

Net Debt to Adjusted EBITDA*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers Net Debt to Adjusted EBITDA an important supplemental measure because it provides investors, analysts, and management with a meaningful indicator of the Company's financial leverage and its capacity to service and repay debt from operating cash flows. Net Debt to Adjusted EBITDA is calculated as Net Debt divided by Annualized Adjusted EBITDA, which is Adjusted EBITDA, as adjusted for annualizing adjustments that give effect to the acquisitions and dispositions completed during the respective period as though such acquisitions and dispositions were completed as of the beginning of the period presented.

Net Operating Income ("NOI")*

The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company considers NOI an important supplemental measure because it allows investors, analysts and its management to evaluate the operating performance of its investments. The Company defines NOI as total revenues less operating expenses. NOI excludes all other financial statement amounts included in net income.

Normalized FFO and Normalized AFFO*

Normalized FFO and Normalized AFFO represent FFO and AFFO, respectively, adjusted for certain income and expense items that the Company does not believe are indicative of its ongoing operating results. The Company considers Normalized FFO and Normalized AFFO to be useful measures to evaluate the Company's operating results excluding these income and expense items to help investors compare the operating performance of the Company between periods or as compared to other companies. Normalized FFO and Normalized AFFO do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance. Normalized FFO and Normalized AFFO also do not consider the costs associated with capital expenditures related to the Company's real estate assets nor do they purport to be indicative of cash available to fund the Company's future cash requirements. Further, the Company's computation of Normalized FFO and Normalized AFFO may not be comparable to Normalized FFO and Normalized AFFO reported by other real estate investment trusts that do not define FFO in accordance with the current Nareit definition or that interpret the current Nareit definition or define FFO and AFFO or Normalized FFO and Normalized AFFO differently than the Company does.

Senior Housing

Senior Housing communities include independent living, assisted living, continuing care retirement and memory care communities.



REPORTING DEFINITIONS

Senior Housing - Managed

Senior Housing communities operated by third-party property managers pursuant to property management agreements.

Skilled Nursing/Transitional Care

Skilled Nursing/Transitional Care facilities include skilled nursing, transitional care, multi-license designation and mental health facilities.

Specialty Hospitals and Other

Includes acute care, long-term acute care and rehabilitation hospitals, facilities that provide residential services, which may include assistance with activities of daily living, and other facilities not classified as Skilled Nursing/Transitional Care, Senior Housing or Behavioral Health.

Stabilized Facility

At the time of acquisition, the Company classifies each facility as either stabilized or non-stabilized. In addition, the Company may classify a facility as non-stabilized after acquisition. Circumstances that could result in a facility being classified as non-stabilized include newly completed developments, facilities undergoing major renovations or additions, facilities being repositioned or transitioned to new operators, and significant transitions within the tenants' business model. Such facilities are typically reclassified to stabilized upon the earlier of maintaining consistent performance or 24 months after the date of classification as non-stabilized. Stabilized Facilities generally exclude (i) facilities held for sale, (ii) strategic disposition candidates, (iii) facilities being transitioned to a new operator, (iv) facilities being transitioned from being leased by the Company to being operated by the Company and (v) leased facilities acquired during the three months preceding the period presented.

***Non-GAAP Financial Measures**

Reconciliations, definitions and important discussions regarding the usefulness and limitations of the Non-GAAP Financial Measures used in this release can be found at <https://ir.sabrahealth.com/investors/financials/quarterly-results>.