



CAROLINA BAY

AT AUTUMN HALL

Disclosure Statement

November 1, 2024

**630 Carolina Bay Drive
Wilmington, North Carolina 28403
(910) 455-0599**

Unless earlier revised, this Disclosure Statement will remain effective until May 31, 2025. Delivery of this Disclosure Statement to a contracting party prior to execution of a contract for the provision of continuing care is required by North Carolina law. This Disclosure Statement has not been reviewed or approved by any governmental agency or representative to ensure accuracy or completeness of the information set out.

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Exhibits:

Exhibit A: Funding Commitment Statement and Welltower Inc. Annual Report

Exhibit B: Actual versus Projected Results

Exhibit C: Interim Financial Statements and Welltower Inc. Quarterly Report

Exhibit D: 5-Year Prospective Financial Statements

Exhibit E: Contract for Independent Living Continuing Care

Exhibit F: Historical Average Dollar Amount of Increases in Fees

I. Introduction

Carolina Bay at Autumn Hall (the “CCRC” or the “Community”) is a continuing care retirement community which offers its residents (“Residents”) one hundred twenty-two (122) independent living rental apartments (the “Independent Living Building Apartments”) located in an independent living building (the “Independent Living Building”) and thirty-six (36) independent living rental garden flat apartments (the “Garden Flat Apartments”) arranged in freestanding clusters (the “Garden Flat Buildings”) (collectively each an “Apartment”), a wide array of services, a clubhouse (the “Clubhouse”), and the security of access to an adjacent one hundred and eight (108) bed healthcare center (the “Healthcare Center”). The Community is situated on an approximately 20.5-acre site within the Autumn Hall development. As of April 30, 2024, there were one hundred seventy-six (176) independent living Residents under Residency and Care Agreements.

II. Organization, Ownership and Management

A. Organization

630 Carolina Bay OpCo LLC (the “Provider”) is a Delaware for-profit limited liability company registered to do business in North Carolina and formed for the purpose of leasing and operating the Community. The North Carolina Department of Insurance issued a Continuing Care Retirement Community License to the Provider effective August 1, 2024. The business address of the Provider is 4500 Dorr Street, Toledo, Ohio 43615.

As of November 1, 2024, the Provider is owned 93.46% by Welltower TRS Holdco LLC and 6.54% by Carolina Bay Properties of Wilmington II Sub, LLC (“Liberty Member”). Welltower TRS Holdco LLC is owned 100% by Welltower OP LLC (“Welltower”), the sole subsidiary of Welltower Inc., a publicly traded real estate investment trust. Liberty Member is an affiliate of Liberty Senior Living, LLC, a North Carolina for-profit limited liability company (or “Liberty”). The Provider is managed by its majority member, Welltower TRS Holdco LLC, and certain major decisions require the consent of Liberty Member. The Provider does not have any officers, directors, trustees, or managing or general partners.

B. Facility Ownership

The real property comprising the Community is owned by 630 Carolina Bay NC PropCo, LLC (the “Real Property Owner”) and its subsidiary, Carolina Bay Properties of Wilmington IV, LLC (or the “New Garden Flats Owner”). Carolina Bay Properties of Wilmington IV, LLC, owns only the real property on which

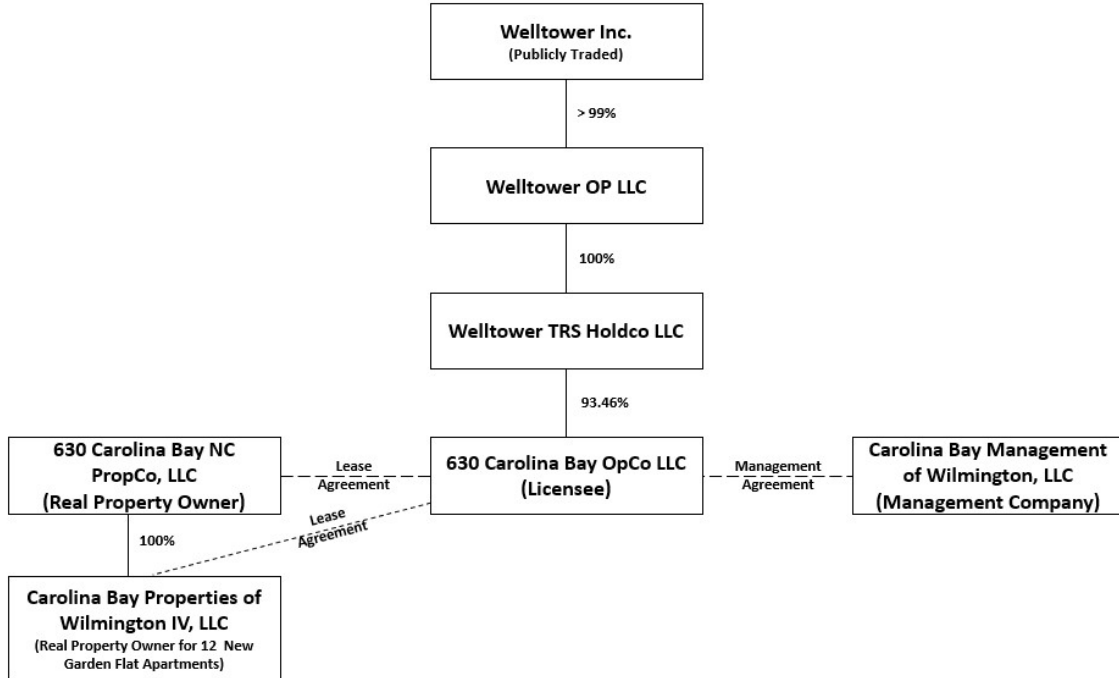
twelve (12) new Garden Flat apartments are located. The Real Property Owner and the New Garden Flats Owner were formed to own the real property comprising the Community. The Real Property Owner and the New Garden Flats Owner, as applicable, lease the Independent Living Building, the Garden Flat Buildings, the Clubhouse, the Healthcare Center, and the associated common areas to the Provider. The Real Property Owner is a Delaware for-profit limited liability company registered to do business in North Carolina with a business address of 4500 Dorr Street, Toledo, Ohio 43615. The New Garden Flats Owner is a for-profit North Carolina limited liability company with a business address of 4500 Dorr Street, Toledo, Ohio 43615

See the organization/ownership chart below.

Organization/Ownership Chart

Carolina Bay at Autumn Hall

As of November 1, 2024



C. Healthcare

The CCRC provides the Residents temporary or permanent assisted living services and skilled nursing services in beds located within the Healthcare Center. The Healthcare Center is licensed for seventy-eight (78) adult care home beds (“Adult Care Home Beds”) and thirty (30) skilled nursing beds (the “Skilled Nursing Beds”). Twenty-six (26) of the Adult Care Home Beds and twelve (12) of the Skilled Nursing Beds are reserved for the Residents of the CCRC (the “Closed Beds”). The remaining beds are referred to as “Open Beds.”

D. Management

The Provider is licensed to operate the independent living units, Adult Care Home Beds, and Skilled Nursing Beds at the CCRC. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the Provider’s agreements or obligations, except as explained in Section IX.

Carolina Bay Management of Wilmington, LLC

The Provider has engaged Carolina Bay Management of Wilmington, LLC (the “Management Company”), an affiliate of Liberty Senior Living, to provide management services to the Community pursuant to a management agreement (the “Community Management Agreement”). The Management Company is a North Carolina for-profit limited liability company. The amount of consideration under the Community Management Agreement is tied to the financial performance of the Community.

Liberty Living Management, LLC

Liberty Living Management, LLC (“Liberty Living Management”), has executed a separate management agreement with the Management Company under which the Management Company pays Liberty Living Management fees equal to the fees derived from the Community Management Agreement. Liberty Living Management’s headquarters are at 2334 S. 41st St., Wilmington, NC 28403. The following individuals are the key managers or corporate executives of Liberty:

1. *John A. McNeill, Jr. and Ronald B. McNeill*

John A. McNeill Jr. and Ronald B. McNeill are managers of Liberty Living Management.

John (“Sandy”) A. McNeill, Jr. is a pharmacist by training and has had many years of business experience in the healthcare field. He has opened and

operated four pharmacies and developed Medi-Care Supply Company from a relatively small operation with one location in 1975 to a multi-million dollar corporation with 16 locations when it was sold in 1986 to a Fortune 500 company.

Ronald (“Ronnie”) B. McNeill is a Registered Professional Engineer with a Master’s Degree in Business Administration. He brings technical, financial and healthcare insurance reimbursement expertise to Liberty. He previously served as Chief Financial Officer and Billing Manager of Medi-Care Supply Company. He contributes his substantial expertise in financial management and cost control to the efficient operation of the organization.

Together the McNeill’s purchased their first nursing home in 1990, but the McNeill family’s healthcare heritage dates all the way back to 1870 beginning with their great-grandfather. Over the last three decades the Liberty Healthcare Group has grown from a single nursing home to a fully integrated post-acute healthcare provider, which includes numerous nursing homes, assisted living facilities, independent living communities, continuing care retirement communities, and a home health and hospice company with several locations servicing various urban and rural counties in North Carolina, South Carolina, and Virginia. The McNeill family also operates a durable medical equipment company under the Liberty family as well as a retail and a long-term care pharmacy. The McNeill family comes from a tradition of service, dating back generations, and Sandy and Ronnie continue that tradition today as principals of one of the largest and most comprehensive healthcare companies in the state.

2. *William B. Purvis*

William (“Will”) Purvis is a manager of Liberty Living Management and President of Liberty Senior Living in Wilmington, North Carolina. He manages business development as well as capital financing for the Liberty companies. Prior to moving to Wilmington, Will worked with Grandbridge Real Estate Capital, a subsidiary of BB&T. Will was responsible for commercial mortgage production for the Eastern, Northeast and Triangle regions of the bank’s network.

Will received a B.S. in Business Management from North Carolina State University and a Masters of Business Administration from Wake Forest University. He serves on the Senior Housing Product Council of Urban Land Institute, the Board of Directors for Cape Fear Council Boy Scouts of America, New Hanover Regional Medical Center Foundation, Wilmington Chamber of Commerce, and North Carolina Coastal Land Trust.

3. *Cindy Stancil*

Cindy Stancil, LNHA, is the President of Operations of Liberty Living Management, LLC. Cindy started her career in assisted living as the Administrator of Northridge Retirement Village in Raleigh, North Carolina in 1985. After four years of service, she moved to Wilmington, North Carolina, to open a new assisted living community, Liberty Commons Assisted Living. Over the past 39 years, Mrs. Stancil's responsibilities have grown from being the Administrator of an assisted living community to budgeting and training, policy and procedures development and implementation, research, design and development of nursing home, independent, and assisted living projects.

Cindy has served as a Board Member of the North Carolina Assisted Living Association as current Secretary and past President. She has worked in Task Force groups such as "The Star Rating program", the MUST pre-screening form, etc. with the Medical Care Commission, Division of Medical Assistance and Division of Health Services Regulation. Mrs. Stancil is a Licensed Assisted Living Administrator as well as a Licensed Nursing Home Administrator.

4. *Nicole Cook*

Nicole Cook, RN LNHA provides operational support to Liberty Living Management team in the role of Regional Operations Manager. Nicole is a native of Nashville, Tennessee, educated in North Carolina and has enjoyed a career in healthcare for over 25 years. Nicole is an RN and is also licensed as a Nursing Home Administrator. Spending her career in both clinical and operational management, Nicole brings years of patient care and operational leadership to the team. With a passion for customer service and a dedication to quality patient care, she is active in ensuring that our Liberty Living communities provide the best possible experience for those we serve. Nicole resides in Wilmington, NC with her husband and teenage daughter.

Facility Management

Bill Piper. Bill Piper serves as the Executive Director of the Community. Bill is a Dayton, Ohio native who attended Sinclair Community College. He has a long-time career with the Liberty Healthcare Group, serving as Marketing Director for freestanding Assisted Living then assuming the Marketing Director position at Carolina Bay and moving into the Executive Director role. Prior to joining Liberty Health Care, he was the Marketing Director for the healthcare component of a company in Ohio.

Melissa Godwin, RN, LNHA. Melissa Godwin, RN, LNHA provides operational support to Liberty Living Management team in the role of Regional Operations Manager. Melissa is a native of Eastern North Carolina and has had the privilege of working with Seniors for over 27 years. As an RN and Licensed Nursing Home Administrator, Melissa has served in both clinical and operational roles. With a passion for customer service and employee development, she is committed to helping Liberty Living communities thrive. Melissa currently serves as a member of the Standards & Ethics Committee through the North Carolina Health Care Facilities Association.

E. Related Parties

As described above, the Provider has engaged the Management Company to provide management services to the Community. Both the Liberty Member and the Management Company are affiliates of Liberty Senior Living. Certain other Liberty entities provide services to the Community. These transactions are considered related party transactions. Transactions between Liberty entities are settled through related party cash accounts and payments to the other entities.

F. Legal Disclaimer

Neither the Provider, any individual or entity having a ten percent (10%) or greater equity or beneficial interest in the Provider, the Management Company, any individual managing the Community on a day-to-day basis, or any other individual identified in this Disclosure Statement (i) has been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment for a felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any state or federal license or permit suspended or revoked as a result of an action brought by any governmental agency or department, arising out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged, or facility subject to N.C.G.S. §58-64 or similar law in another state.

Other than described in this Disclosure Statement, there is no professional service firm, association, trust, partnership, or corporation in which the Provider, the Management Company, any individual managing the Community on a day-to-day basis, or any other individual identified in this Disclosure Statement has, or which has in such individual or entity, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, or to residents of the facility, of an aggregate value of five hundred dollar (\$500.00) or more within any year.

G. Affiliations

The Provider is a for profit limited liability company, which is not affiliated with any religious, charitable, or other affinity group.

III. Facility Description and Amenities

A. Location

The Community is located on an approximately 20.5-acre site, having an address of 630 Carolina Bay Dr., Wilmington, North Carolina and is situated within the Autumn Hall development. Autumn Hall is a 236-acre mixed-use master planned community that includes a variety of residential choices, shops, and restaurants and is located near the Cape Fear Coast in Wilmington, North Carolina.

B. Layout and Types of Accommodations

Accommodations of the Community include one hundred twenty-two (122) Independent Living Building Apartments within the Independent Living Building with one and two bedroom floor plans that range from approximately 800 to 1,500 square feet and thirty-six (36) Garden Flat Apartments located within stand-alone Garden Flat Buildings with two-bedroom floor plans that range from approximately 1,300 to 1,700 square feet each. Carolina Bay is able to accommodate up to two hundred and ninety-two (292) Residents, all of whom are provided services pursuant to their respective Residency and Care Agreements. Subject to the terms and conditions of the Residency and Care Agreement and the limits of the Provider's license, a full continuum of healthcare services is provided in the Healthcare Center. In addition, in the event the Closed Beds are fully occupied, Residents will be given priority access to the available Open Beds.

C. Amenities

1. *Clubhouse.* The Clubhouse is a social center for residents to gather. The Clubhouse features opportunities for formal and informal dining, a corner market with all day service, wireless internet, a business center, billiards and card rooms, and a ballroom.
2. *Wellness Center.* The on-site wellness center (the "Wellness Center") provides an array of wellness programs for the Residents. Facilities and

services include state-of-the-art fitness equipment, exercise classes, indoor heated pool, and certain wellness education programs.

IV. Services

- A. Basic Services. Subject to the terms and conditions of the Residency and Care Agreement, the following basic services (collectively “Basic Services”) are included in the Monthly Service Fee (defined below):
1. *Appliances and Furnishings*. The Apartments shall include the following appliances and furnishings: window coverings; standard flooring; appliances, including an electric range/self-cleaning oven, refrigerator/freezer with icemaker, garbage disposal, microwave, dishwasher, washer and dryer; smoke and fire detectors; an individual climate control system; an individual water heater; a 24-hour emergency call system and other permanent fixtures. All other appliances and furnishings for the Apartments not listed above are to be provided by the Resident.
 2. *Utilities*. Included with residency in an Apartment are heating, air conditioning, water, sewer, gas, electricity, basic cable television, trash removal and pest control.
 3. *Meals*. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The Resident shall be entitled to dine in any of the CCRC’s dining options and charges for the food and beverages, except for alcoholic beverages, of the Resident or of any guest of the Resident shall be deducted from such Declining Balance Meal Credit. Upon termination of the Residency and Care Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credits, such additional charges shall be billed to the Resident on a monthly basis.
 4. *Housekeeping Service*. The Resident agrees to keep the Apartment in a clean and orderly condition. On a weekly basis, the Provider will provide basic housekeeping services in the Apartment.
 5. *Maintenance Services*. The Provider will be responsible for normal wear and tear, maintenance, and replacement of the property, furnishings, and equipment owned or leased by the Provider for use in the CCRC. The Resident will be responsible for any damage to such property, furnishings

and equipment, including the cost of repair or replacement or the diminution in value thereof, caused by the Resident, the Resident's guests, or the Resident's pets. The Resident will be responsible for the maintenance and repair of their personal property.

6. *Grounds Keeping.* The Provider will maintain and repair the CCRC's grounds, including lawns, trees and shrubbery. Personal plantings and customization of landscaped areas are subject to the Provider's approval.
7. *Use of Common Areas.* The Residents have the non-exclusive right, along with other residents, to use the CCRC's common areas, including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreational rooms, and designated outdoor activity areas.
8. *Use of the Wellness Center.* The Provider will provide health and wellness programs and services at the on-site Wellness Center, including use of fitness equipment, exercise classes, use of an indoor heated pool, and certain wellness education programs. The Resident will be advised of any required fee for a wellness program before enrolling in such program.
9. *Programs.* Recreational, social, educational, and cultural activities will be coordinated by the CCRC's staff. Some activities are subject to an additional charge.
10. *Parking* The Provider will provide parking areas for one personal vehicle per Resident and limited parking for the Residents' guests.
11. *Transportation.* The Provider will provide scheduled transportation to locations routinely visited by Residents of the CCRC, such as shopping centers, medical offices and social events. Some transportation is subject to an additional charge.
12. *Emergency Response System.* The Provider will provide, on a twenty-four (24) hour basis, an emergency call system. Response to a call shall be limited to an evaluation of the Resident's needs. If other medical response is determined necessary, the Resident is responsible for any costs associated

with such other medical response, including emergency medical transportation.

13. *Insurance.* The Provider will maintain general liability and hazard insurance on the property within the CCRC owned or leased by the Provider, but will not be responsible for the Resident's personal property.

B. Optional Services. A schedule of fees for services provided at extra cost including, but not limited to, those optional services described below (collectively "Optional Services"), shall be established by the Provider and shall be made available to the Resident. The Optional Services currently expected to be offered by the Provider include the following:

1. *Transportation Services.* If a Resident requests transportation in addition to that provided as a Basic Service, the Provider may provide such transportation provided that the Provider has adequate transportation staff available at such date and time and to destinations that the Provider identifies as being within the geographic area of transportation services.
2. *Food Services.* If a Resident requests food services or catered services in addition to those provided as a Basic Service, the Provider may provide such additional food services or catered services for an additional cost.
3. *Tray Service.* Residents may request that meals be delivered to the Apartment ("Tray Service") for a delivery charge; provided, however, that the Tray Service may not be requested for more than three (3) consecutive days except at a physician's or nurse's direction.
4. *Activities.* A fee may be required for some wellness and life enrichment programs.
5. *Additional Housekeeping Service.* If a Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the

Provider may provide such services if staff is available to provide such services.

6. *Spa Services.* Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.
7. *Upgraded Television Channels.* Upgraded television channels will be available to Residents living in the Apartments in accordance with a published fee schedule.
8. *Additional Parking.* Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
9. *Personal Emergency Transmitter.* The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC’s Concierge Desk.

C. Healthcare

The Provider will provide Healthcare Services to the Residents in the Healthcare Center. Care in the Healthcare Center will only be provided within the limits of the Provider’s license. Hospital-level services are not provided within the Healthcare Center. Such level of care must be obtained from a hospital. The costs related to any hospitalization are the responsibility of the Resident.

The Healthcare Center’s Medical Director will determine the appropriate level of nursing care required by the Resident upon admission to the Healthcare Center. Residents who are unable to return to their Apartment will have the benefit of permanent care in the Healthcare Center. If the appropriate level of healthcare based upon the needs of the Resident may not be obtained or is not provided within the Healthcare Center, such level of care must be provided by another provider of healthcare services, including, but not necessarily limited to, a hospital, and the costs of those services are the responsibility of the Resident. The Resident (i) acknowledges and agrees that the Provider will not be responsible for any claims, damages, or expenses resulting from injury or death suffered by the Resident which is caused by, attributable to, or in any way connected with the negligence or intentional acts or omissions of the physicians, employees, or agents of such any such other provider of healthcare services and (ii) releases the Provider from liability for any such claims, damages, or expenses.

V. Expansion/Development

Planned future phases of the Community may include the construction of up to an additional one hundred (100) Independent Living Building Apartments, up to an additional eighteen (18) Garden Flat Apartments, and up to an additional one hundred (100) unit Healthcare Center. The additional Apartments and Healthcare Center will be constructed as dictated by demand for residency in the Community. The expected date for commencement of such construction is not known at this time.

VI. The Continuing Care Concept

The Provider's continuing care concept ensures a Resident, so long as the Resident is in compliance with the Residency and Care Agreement, residence in an Apartment, a wide array of personal services, and long-term nursing care in the Healthcare Center if the Resident can no longer live independently.

VII. The Residency and Care Agreement

To reside in an Apartment, the prospective Resident and the Provider will enter into a Residency and Care Agreement (the "Residency and Care Agreement"). A copy of the Residency and Care Agreement applicable to the Apartments is attached hereto as Exhibit E. As outlined in the Residency and Care Agreement, residency in the CCRC provides the Resident with use of the CCRC's common facilities, the Basic Services described above, and healthcare in the Healthcare Center when the Resident is no longer capable of independent living. To the extent the terms of the Residency and Care Agreement differ from the summary contained in this Disclosure Statement, the terms of the Residency and Care Agreement shall control. The basic terms and conditions contained in the Residency Agreement are summarized as follows:

- A. Term. The initial term of the Residency and Care Agreement shall be for thirteen (13) months beginning on the Occupancy Date. After the initial term, the Residency and Care Agreement will automatically renew for additional thirteen (13) months periods, unless terminated as set forth in the Residency and Care Agreement.
- B. Eligibility Requirements. Eligibility for residency in the Community is conditioned upon, among other things more particularly described in the Residency and Care Agreement, the following:
 1. *Age Criteria*. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An underage second occupant may be approved for residency in the Apartment in the Provider's sole discretion but must, at a minimum, be

fifty (50) years of age and meet the other requirements for residency in the CCRC. The Provider reserves the right to limit the number of Residents under the age of sixty-two (62) that will live in the CCRC.

2. *Preliminary Health Screen.* The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the Provider, which criteria may be amended from time to time in the Provider's sole discretion. The Resident shall provide to the Provider an internal preliminary health screen substantially in the form attached to the Apartment Selection Agreement executed by the Resident and the Provider, completed by the Resident's primary physician and certifying that the Resident meets the independent living criteria within the period outlined in the Residency and Care Agreement.
 3. *Financial Condition.* The Provider must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee, extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of the Residency and Care Agreement. Immediately prior to the Occupancy Date (as defined in the Residency and Care Agreement), the Resident will affirm to the Provider that the Resident's financial situation does not differ materially and adversely from the financial situation presented in the Application Forms (substantially in the form attached to the Apartment Selection Agreement). If the Resident's then personal financial situation differs materially and adversely from the Resident's prior financial situation, the Provider may terminate the Residency and Care Agreement. After the Occupancy Date, the Provider may require updated financial information. In the case of two Residents occupying an Apartment, and in the event of the death of one of the occupants, the surviving Resident will be required to submit an update of the original Application Forms within thirty (30) days after the Provider's request for the same.
- C. Priority Partner Agreement. A prospective resident may execute a Priority Partner Agreement (the "Priority Partner Agreement") with the Provider to be placed on the waiting list for an Apartment.
- D. Apartment Selection Agreement. At the time of selecting an Apartment, the Resident shall execute an Apartment Selection Agreement (the "Apartment Selection Agreement") and submit it to the Provider along with an Apartment Selection Fee and Community Fee, as defined in the Residency and Care Agreement.

- E. Residency and Care Agreement. Within seven (7) days of executing an Apartment Selection Agreement, the Resident shall execute a Residency and Care Agreement.
- F. Changes to Apartment. Any structural or physical change or redecoration and remodeling of any kind within or outside the Apartment may be made by the Resident only with the prior written consent of the Provider, which shall be granted at the Provider's sole discretion, and at the sole expense of the Resident. All such improvements or changes shall be the property of the Provider. Upon vacating the Apartment, the Resident, or the Resident's estate, shall be responsible for the costs of returning the Apartment to the condition that existed prior to the Resident taking possession of the Apartment.
- G. Changes in Condition Prior to Occupancy. If after the execution of the Residency and Care Agreement and prior to the Occupancy Date the Resident's health or mental condition is such that, in the sole discretion of the Provider, the Resident no longer meets the qualifications to live independently in the CCRC, and the Residency and Care Agreement is not otherwise terminated, the Resident may be transferred directly to the Healthcare Center. All fees and other charges due must be paid prior to any direct transfer. In the event there is more than one Resident occupying an Apartment, and one Resident is transferred directly to the Healthcare Center, the other Resident shall continue to be obligated under the Residency and Care Agreement and pay the required Monthly Service Fee applicable to a single Resident.
- H. Fees and Billing. The Resident shall be required to pay the Monthly Service Fee and other fees as set forth in the Residency and Care Agreement. Fees payable by the Resident are described in more detail below.
- I. Permitted Occupants. The Resident(s) are named in the Residency and Care Agreement and no other person shall reside in or occupy the Apartment during the term of the Residency and Care Agreement, except with the express prior written approval of the Provider. If a second occupant who is not a party to the Residency and Care Agreement is accepted for residency in the CCRC after the date of the Residency and Care Agreement, such acceptance shall be subject to the approval of the Provider and adherence to policies then governing all other admissions, and such second resident shall enter into a Residency and Care Agreement. If the second occupant does not meet the requirements for residency, or does not execute a Residency and Care Agreement, he or she shall not be permitted to occupy the Apartment.

A second occupant includes, but is not limited to, a spouse as defined by State statute.

- J. Transfers. Should the Resident desire to transfer to another Apartment, the Resident must notify the Provider in writing. Following receipt of this request, and subject to availability, the Provider may grant the Resident an option to move to the next available Apartment of the size requested. Upon transfer to a new residence, the Monthly Service Fee for the month in which the move takes place shall be prorated to reflect the percentage of the month that the Resident spends in each type of residence. With all transfers, there will be an up-fitting charge for the vacated residence based on the current rate established by the CCRC at the time of the transfer. The Resident will move all furnishings and belongings to the new residence within ten (10) days of the established occupancy date for the new residence. Any moving expense will be the responsibility of the Resident.
- K. Death or Transfer of One Resident. If one of the Residents named in the Residency and Care Agreement dies, moves out or is permanently transferred to the Healthcare Center or any other nursing center, the remaining Resident will continue to be bound by the terms of the Residency and Care Agreement except that the Monthly Service Fee will be reduced to the single occupancy rate then in effect.
- L. Smoking Policy. The CCRC is smoke-free. No smoking is permitted in the Apartments (to include balconies) or in any other building or location in or on the CCRC's premises. The Resident agrees to abide by the CCRC's Rules and Regulations concerning smoking.
- M. Pets. Subject to the prior written consent of the Provider, which such consent shall be at the sole and absolute discretion of the Provider, pets may be permitted in the Apartments. All pets must be on a leash at all times when not in a Resident's Apartment. Pets must be healthy, have current shots and rabies immunization, and be free of fleas and other parasites. The Resident must provide the Provider with documentation that their pets have received all required shots and immunizations. The Resident is responsible for any costs expended by the Provider for the failure of such Resident to adhere to the CCRC's pet policy, including, but not limited to, the cost of disinfection, cleaning, and fumigation. Pets are prohibited in the dining spaces, the Wellness Center, the multipurpose room, the chapel, and the art space and activity rooms. The Resident understands and agrees that the pet must be removed from the Apartment, upon fourteen (14) days' prior written notice from the Provider, if the pet becomes a nuisance to other Residents of the CCRC, as determined by the Provider in its sole and absolute discretion. The Resident agrees that if the Resident has been approved to have a pet living in the Apartment, and elects to do so, the Resident shall pay a non-refundable pet fee in the amount posted at the time the pet is registered.

N. Health Insurance. Prior to the Occupancy Date, the Resident shall provide evidence of health insurance coverage to the Provider at a level reasonably satisfactory to the Provider.

O. Termination

1. *Termination by Resident.* Upon the termination of the Residency and Care Agreement, the Resident shall have no further right to reside in the CCRC. The Residency and Care Agreement may be terminated or cancelled by the Resident under the following terms and conditions:

(a) Rescission During First Thirty (30) Days. The Resident may terminate the Residency and Care Agreement for any reason within thirty (30) days following the later of the execution of the Residency and Care Agreement or receipt by the Resident of the Disclosure Statement (the “Rescission Period”), and the Resident is not required to move into the Community before expiration of the Rescission Period. The Resident’s termination of the Residency and Care Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One-Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Provider at the Resident’s request and set forth in Exhibit A of the Residency and Care Agreement or in writing in a separate addendum to the Residency and Care Agreement signed by the Resident and the Provider. Any refund shall be paid within thirty (30) days after the Provider receives written notice of the Resident’s election to terminate the Residency and Care Agreement.

(b) Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in an Apartment, the Resident may terminate the Residency and Care Agreement for any reason after the Rescission Period but prior to the Occupancy Date upon written notice to the Provider. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Provider, except, as the case may be, the Community Fee, the Apartment Selection Fee, the Security Deposit, and any costs or other charges that the Resident and the Provider agree in advance are non-refundable.

(c) General Termination Right. The Resident may terminate the Residency and Care Agreement at any time for any reason by giving the Provider thirty (30) days’ written notice signed by the Resident

(or both of them if there are two Residents). In the event of such termination by a Resident for reasons other than those permitted in the Residency and Care Agreement, the Resident shall pay the Provider for all Optional Services rendered by the Provider to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at the existing market rate.

2. *Termination by Death or Serious Illness*

- (a) Termination by Death or Serious Illness Prior to the Occupancy Date. If prior to the Occupancy Date, the Resident dies or is precluded from living in the CCRC under the terms of the Residency and Care Agreement as a result of serious illness, injury, non-qualification or incapacity, the Residency and Care Agreement will automatically terminate. In the event the Residency and Care Agreement is terminated provided for in the Residency and Care Agreement, the Resident or the Resident's estate shall be entitled to a refund of any amounts paid to the Provider, except, as the case may be, a service charge of One-Thousand Dollars (\$1,000.00) and for costs or other charges that the Resident and the Provider agree in advance are non-refundable. Such refund shall be paid by the Provider within thirty (30) days after the Residency and Care Agreement is terminated pursuant to the applicable subsection of the Residency and Care Agreement. The foregoing notwithstanding, if there is more than one Resident, the Residency and Care Agreement will continue to be binding on the surviving or eligible Resident unless and until the Residency and Care Agreement is terminated as to or by the surviving Resident as provided for in the Residency and Care Agreement.
- (b) Termination by Death or Serious Illness After the Occupancy Date. If the Resident dies after the Occupancy Date or the Resident is precluded from living in the CCRC under the terms of the Residency and Care Agreement as a result of serious illness, injury, or incapacity and the serious illness, injury or incapacity that is not otherwise addressed by the provision of the Residency and Care Agreement, then the Residency and Care Agreement shall terminate. In the event, the Resident or the estate of the Resident shall pay for

any Optional Services rendered to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the later of the date that all of the Resident's personal belongings are removed from the Apartment and the Apartment can be made ready for re-occupancy. The foregoing notwithstanding, if there is more than one Resident, the Residency and Care Agreement will continue to be binding on the surviving or eligible Resident until the Residency and Care Agreement is terminated as to or by the surviving Resident as provided for in the Residency and Care Agreement.

3. *Termination by the Provider*

- (a) Termination by the Provider Prior to the Occupancy Date. If, in the Provider's sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, the Residency and Care Agreement shall terminate upon the Provider's notification to the Resident of non-approval. In such event, all amounts paid to the Provider shall be refunded to the Resident within thirty (30) days after the Provider provides the Resident notice of non-approval.
- (b) Termination by the Provider after the Occupancy Date. The Provider may terminate the Residency and Care Agreement upon thirty (30) days' written notice to the Resident in the event of the following:
 - (1) The Resident fails to make payments to the Provider of any amounts when due and such failure is not cured within fifteen (15) days after notice is given to the Resident;
 - (2) The Resident fails to comply with any term of the Residency and Care Agreement not involving the payment of money or any provisions of the Rules and Regulations and the Resident fails to cure such non-compliance within seven (7) days after written notice from the Provider; or
 - (3) The Resident, or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to the Provider for its consideration of the Resident for residency in the CCRC.
- (c) Immediate Termination. If the Provider determines in its sole and absolute discretion that a Resident's behavior interferes with or threatens to interfere with the safety of the Resident or the quiet

enjoyment or safety of other Residents, visitors and/or staff of the CCRC, or if the Resident's behavior is a detriment to other residents, visitors, and/or staff of the CCRC, the Provider may immediately terminate the Residency and Care Agreement and the Resident shall promptly vacate the Apartment. In such event, the Resident shall pay the Provider for all Optional Services rendered by the Provider through the date of termination and shall continue to be liable for the Monthly Service Fee until all of the Resident's personal belongings are removed from the Apartment.

- (d) Effect of Termination by the Provider after the Occupancy Date. In the event the Provider terminates the Residency and Care Agreement after the Occupancy Date pursuant to the applicable subsections of the Residency and Care Agreement, the Resident shall promptly vacate the Apartment, but shall pay the Provider for all Optional Services rendered by the Provider through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment.

VIII. Fees.

The following are a list of the fees and charges expected to be charged to the Residents of the CCRC:

- A. Priority Deposit. Upon the execution of the Priority Partner Agreement, the prospective resident shall submit to the Provider a payment of One-Thousand Dollars (\$1,000.00) (the "Priority Deposit"). The Priority Deposit is fully refundable should the prospective resident choose not to proceed with the reservation process and not enter into a Residency and Care Agreement for any reason. The Priority Deposit will be fully applied toward the Security Deposit should the prospective resident proceed with the reservation process and execute a Residency and Care Agreement.
- B. Apartment Selection Fee. Upon the execution of the Apartment Selection Agreement, the Resident shall submit to the Provider a fee equal to the Monthly Service Fee payment (the "Apartment Selection Fee"). The Apartment Selection Fee is a non-refundable fee (except as defined in the Residency and Care Agreement) and shall be fully applied toward the first month's Monthly Service Fee.
- C. Community Fee. Upon the execution of the Apartment Selection Agreement, the Resident shall submit to the Provider a fee equal to one Monthly Service Fee

payment (the “Community Fee”). The Community Fee is a one-time, non-refundable fee (except as outlined in the Residency and Care Agreement) which entitles the Resident priority access to all services and amenities of the Community. The Community Fee will not be charged to Residents upon any renewal of the Residency and Care Agreement.

- D. Security Deposit. Upon the execution of the Residency and Care Agreement, the Resident shall make a Security Deposit payment to the Provider equal to one Monthly Service Fee payment (the “Security Deposit”), which shall be deposited in accordance with statute, law or regulation of the federal, state, and local Government. If the Resident has complied with all terms of the Residency and Care Agreement and returns the Apartment in the same or materially similar condition as when the Resident moved into the Apartment, the Provider will return the Security Deposit to the Resident within thirty (30) days after the Resident’s move-out date. The Security Deposit shall be credited to the Resident as the last Monthly Service Fee payment in the event of the Resident’s death. In the event that the Resident breaches or otherwise violates the Residency and Care Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Provider. The Resident is additionally responsible for any expense incurred by the Provider resulting from damages to the Apartment that are in excess of the Security Deposit. In the event that the Resident has entered into a Priority Partner Agreement and paid a refundable deposit to the Provider, the Priority Deposit shall be applied to the amount due as the Security Deposit.
- E. Monthly Service Fee. Throughout the Term, the Resident shall pay to the Provider a Monthly Service Fee (the “Monthly Service Fee”) as described in Exhibit A attached to the Residency and Care Agreement. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5th) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Apartment is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Apartment prior to the first of a month, the Resident shall pay the Provider the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If the Residency and Care Agreement does not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in the Residency and Care Agreement.
- F. Adjustments to Monthly Service Fees. The Provider reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days’ written notice prior

to any renewal of the Residency and Care Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC and the level and quality of services provided to the Residents of the CCRC and consistent with operating on a sound financial basis. Since the Provider commenced operations on August 1, 2024, information about historical fee increases is not available. Up to five years of historical average dollar amount of increases in fees will be shown in Exhibit F when applicable.

- G. Fees for Optional Services. The Resident shall receive a monthly statement from the Provider showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5th) day of each month. A list of fees for recurring Optional Services the Resident has elected to purchase as of the date of the Residency and Care Agreement shall be attached to the Residency and Care Agreement as Exhibit A.

- H. Healthcare Center Fees and Charges. The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, assisted housing with services, skilled nursing care and memory care services on a temporary or permanent basis. The Provider shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty (30) days of residency in the Healthcare Center (each day being a “Discounted Fee Day”). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Care Agreement and in accordance with the then published Healthcare Center per diem charge.

- I. Refund of Fees. If the Resident cancels during the Rescission Period as defined in the Residency and Care Agreement, the Priority Deposit, Apartment Selection Fee, Community Fee, and Security Deposit (and any other fees paid by Resident) in accordance with the Residency and Care Agreement will be refunded to the Resident, without interest, less a service charge of One-Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Provider at the Resident’s request and set forth in Exhibit A of the Residency and Care Agreement, or in writing in a separate addendum to the Residency and Care Agreement, signed by the Resident and the Provider. Any refund shall be paid within thirty (30) days after the Provider’s receipt of the Resident’s written notice of rescission. The Apartment Selection Fee and the Community Fee become non-refundable after the Rescission Period. The Security Deposit is refundable and will be returned to the Resident within thirty (30) days after the Resident’s move-out date if the Resident

has complied with all terms of the Residency and Care Agreement and returns the Apartment in the same or materially similar condition as when Resident moved into the Apartment. If the Resident breaches or otherwise violates the Residency and Care Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Provider.

- J. Late Charges. The Provider will charge a one percent (1%) late payment charge per month on any Monthly Service Fees and extra charges that have not been paid within five (5) days after their due date.

IX. Financial Information

- A. Audited Financial Statements. The Provider is a newly formed entity, and it does not have audited financial statements because it has not yet completed a full fiscal year. The Provider is an indirect subsidiary of Welltower OP LLC, the sole subsidiary of Welltower Inc, a publicly traded real estate investment trust. Included as Exhibit A is a Funding Commitment Statement from Welltower OP LLC confirming that it will make available to the Provider, as needed, the funds necessary for working capital, contingency financing, and any other costs, including, but not limited to, costs related to the operation of the Community. Welltower Inc.'s annual report (Form 10-K) for the fiscal year ended December 31, 2023, is also included as Exhibit A. The annual report includes detailed information about Welltower Inc., including consolidated audited financial statements for Welltower Inc. and its subsidiaries.
- B. Actual versus Projected Results. Since the Provider began operating the Community on August 1, 2024, a narrative of material differences between the previously projected financial statements and actual results of operations for the prior year is not available. This information will be included in Exhibit B when available in future years.
- C. Interim Financial Statements. Interim financial statements as of March 31, 2024, for the Provider are included as Exhibit C. Because the Provider is a newly formed entity, a copy of Welltower Inc.'s quarterly report (Form 10-Q) for the period ended March 31, 2024, is also included at Exhibit C.
- D. Five-Year Prospective Financial Statements. Financial projections for the Provider's first five years of operation, as compiled by an internal certified public accountant, are included as Exhibit D.
- E. Reserves, Escrow and Trusts. North Carolina law requires continuing care retirement communities such as the Community to maintain operating reserves equal to fifty percent (50%) of the total operating costs in a given year, or twenty-

five percent (25%) of such total operating costs if occupancy as of a certain date exceeds ninety percent (90%) of the Community's capacity (such reserve amount is referred to herein as the "Statutory Reserve"). This law provides security to the Residents that the Provider will be able to meet its contractual obligations to provide continuing care. The Provider's Statutory Reserve will be maintained by its ultimate majority owner, Welltower Inc., through cash and invested cash. For more information about Welltower Inc.'s financial health, please refer to its annual report attached hereto as Exhibit A.

X. Other Material Information

None.

EXHIBIT A

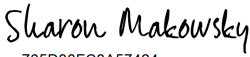
FUNDING COMMITMENT STATEMENT AND WELLTOWER INC. ANNUAL REPORT

[ATTACHED]

FUNDING COMMITMENT STATEMENT

630 Carolina Bay OpCo LLC (“Provider”) is a subsidiary of Welltower OP LLC (“Welltower”), the sole subsidiary of Welltower Inc., a publicly traded real estate investment trust. Welltower hereby commits that it will make available to Provider, as needed, the funds necessary for working capital, contingency financing, and any other costs, including, but not limited to, costs related to the operation of the continuing care retirement community known as Carolina Bay at Autumn Hall.

WELLTOWER OP LLC

DocuSigned by:

765D38FC8A57424...

By: Sharon Makowsky
Its: Authorized Representative

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____
Commission File Number 1-8923

welltower

WELLTOWER INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

4500 Dorr Street, Toledo, Ohio
(Address of principal executive offices)

34-1096634

(I.R.S. Employer Identification No.)

43615
(Zip Code)

(419) 247-2800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$1.00 par value	WELL	New York Stock Exchange
Guarantee of 4.800% Notes due 2028 issued by Welltower OP LLC	WELL/28	New York Stock Exchange
Guarantee of 4.500% Notes due 2034 issued by Welltower OP LLC	WELL/34	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed a report on and attestation of the effectiveness of its internal control over financial reporting under Section 404(b) of Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by registered public accounting firm that prepared or issued its audit report

If securities are registered pursuant to Section 12(b) of the Exchange Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

The aggregate market value of the shares of voting common stock held by non-affiliates of the registrant, computed by reference to the closing sales price as of the last business day of the registrant's most recently completed second fiscal quarter was \$41,131,361,000.

As of February 9, 2024, the registrant had 568,878,059 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the annual stockholders' meeting to be held May 23, 2024, are incorporated by reference into Part III.

WELLTOWER INC. AND SUBSIDIARIES
2023 FORM 10-K ANNUAL REPORT
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PART I

Item 1. Business

General

Welltower Inc. (NYSE:WELL), an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. The company invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower™, a real estate investment trust ("REIT"), owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing, post-acute communities and outpatient medical properties. More information is available on the Internet at www.welltower.com. The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

Our primary objectives are to protect stockholder capital and enhance stockholder value. We seek to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments to stockholders as a result of annual increases in net operating income and portfolio growth. To meet these objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, relationship and geographic location.

On March 7, 2022, we announced our intent to complete an UPREIT reorganization. In February 2022, the company formerly known as Welltower Inc. ("Old Welltower") formed WELL Merger Holdco Inc. ("New Welltower") as a wholly owned subsidiary, and New Welltower formed WELL Merger Holdco Sub Inc. ("Merger Sub") as a wholly owned subsidiary. On April 1, 2022, Merger Sub merged with and into Old Welltower, with Old Welltower continuing as the surviving corporation and a wholly owned subsidiary of New Welltower (the "Merger"). In connection with the Merger, Old Welltower's name was changed to "Welltower OP Inc.", and New Welltower inherited the name "Welltower Inc." Effective May 24, 2022, Welltower OP Inc. ("Welltower OP") converted from a Delaware corporation into a Delaware limited liability company named Welltower OP LLC (the "LLC Conversion"). Following the LLC Conversion, New Welltower's business continues to be conducted through Welltower OP and New Welltower does not have substantial assets or liabilities, other than through its investment in Welltower OP.

Welltower Inc. is the initial member and majority owner of Welltower OP, with an approximate ownership interest of 99.765% as of December 31, 2023. Welltower Inc. issues equity from time to time, the net proceeds of which it is obligated to contribute as additional capital to Welltower OP. All debt including credit facilities, senior notes and secured debt is incurred by Welltower OP or its subsidiaries, and Welltower Inc. has fully and unconditionally guaranteed all existing and future senior unsecured notes.

Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us," "our" or the "company" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP.

Portfolio of Properties

Please see "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operation – Executive Summary – Company Overview" for a table that summarizes our portfolio as of December 31, 2023.

Property Types

We invest in seniors housing and health care real estate and evaluate our business through three reportable segments: Seniors Housing Operating, Triple-net and Outpatient Medical. For additional information regarding our segments, please see Note 18 to our consolidated financial statements. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2 to our consolidated financial statements. The following is a summary of our various property types.

Seniors Housing Operating

Our Seniors Housing Operating properties include seniors apartments, independent living and independent supportive living, continuing care retirement communities, assisted living, Alzheimer's/dementia care and include care homes with or without nursing (U.K.), which assist with activities of daily living that preserve a person's mobility and social systems to promote cognitive engagement. Our properties include stand-alone properties that provide one level of service, combination properties that provide multiple levels of service and communities or campuses that provide a wide range of services. Properties are often held in joint venture entities with operating partners. We utilize the structure authorized by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a "RIDEA" structure (the provisions of the Internal Revenue Code authorizing the RIDEA structure were enacted as part of the Housing and Economic Recovery Act of 2008).

Seniors Apartments Seniors apartments generally refer to age-restricted or age-targeted multi-unit housing with self-contained living units for older adults, usually aged 55+ who are able to care for themselves. Seniors apartments generally do not offer other additional services such as meals.

Independent Living and Independent Supportive Living (Canada) Independent living and independent supportive living generally refers to age-restricted, multifamily properties with central dining that provide residents access to meals and other services such as housekeeping, linen service, transportation and social and recreational activities.

Continuing Care Retirement Communities Continuing care retirement communities typically include a combination of detached homes and properties offering independent living, assisted living and/or long-term/post-acute care services on one campus. These communities appeal to residents because there is no need to relocate when health and medical needs change. Resident payment plans vary, but can include entrance fees, condominium fees and rental fees. Many of these communities also charge monthly maintenance fees in exchange for a living unit, meals and some health services.

Assisted Living Assisted living refers to state-regulated rental properties that provide independent living services, but also provide supportive care from trained employees to residents who require assistance with activities of daily living, including, but not limited to, management of medications, bathing, dressing, toileting, ambulating and eating.

Alzheimer's/Dementia Care Alzheimer's/Dementia Care refers to state-regulated rental properties that generally provide assisted living and independent living services, but also provide supportive care to residents with memory loss, Alzheimer's disease and/or other types of dementia. Amenities vary, but may include enhanced security, specialized design features and memory-enhancing therapies that promote relaxation and help slow cognitive decline.

Care Homes with or without Nursing (U.K.) Care homes without nursing, regulated by the Care Quality Commission ("CQC"), are rental properties that provide essentially the same services as U.S. assisted living. Care homes with nursing, also regulated by the CQC, are licensed daily rate or rental properties where most individuals require 24-hour nursing and/or medical care. Generally, these properties are licensed for various national and local reimbursement programs. Unlike the U.S., care homes with nursing in the U.K. generally do not provide post-acute care.

Our Seniors Housing Operating segment accounted for 72%, 72% and 68% of total revenues for the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, we had relationships with 51 partners to manage our Seniors Housing Operating properties. In each instance, our partner provides management services to the properties pursuant to an incentive-based management contract. We rely on our partners to effectively and efficiently manage these properties. For the year ended December 31, 2023, our relationship with Sunrise Senior Living ("Sunrise") accounted for approximately 17% of our Seniors Housing Operating segment revenues and 12% of our total revenues.

Triple-net

Our Triple-net properties offer services including independent living and independent supportive living (Canada), assisted living, continuing care retirement communities, Alzheimer's/dementia care and care homes with or without nursing (U.K.) described above, as well as long-term/post-acute care. Our properties include stand-alone properties that provide one level of service, combination facilities that provide multiple levels of service, and communities or campuses that provide a wide range of services. We invest primarily through acquisitions, development and joint venture partnerships. Our properties are primarily leased to operators under long-term, triple-net master leases that obligate the tenant to pay all operating costs, utilities, real estate taxes, insurance, maintenance costs and all obligations under certain ground leases. In addition, such triple-net master leases often require our tenants to fund a minimum amount related to capital expenditures. We are not involved in property management.

Long-Term/Post-Acute Care Facilities Post-acute care is at the leading edge of reducing health care costs while improving quality. These high-impact centers help patients recover from illness or surgery with the goals of getting the patient home and healed faster and reducing hospital readmission rates. Our long-term/post-acute care properties generally offer skilled nursing/post-acute care, inpatient rehabilitation and long-term acute care services. Skilled nursing/post-acute care refers to licensed daily rate or rental properties where most individuals require 24-hour nursing and/or medical care. Generally, these properties are licensed for Medicaid and/or Medicare reimbursement in the U.S. or provincial reimbursement in Canada. All properties offer some level of rehabilitation services. Some properties focus on higher acuity patients and offer rehabilitation units specializing in cardiac, orthopedic, dialysis, neurological or pulmonary rehabilitation. Inpatient rehabilitation properties provide intensive inpatient services after illness, injury or surgery to patients able to tolerate and benefit from three hours of rehabilitation per day. Long-term acute care properties provide inpatient services for patients with complex medical conditions that require more intensive care, monitoring or emergency support than is available in most skilled nursing/post-acute care properties.

Our Triple-net segment accounted for 16%, 16% and 19% of total revenues for the years ended December 31, 2023, 2022 and 2021, respectively. For the year ended December 31, 2023, our revenues related to our relationship with Integra Healthcare Properties ("Integra") accounted for approximately 21% of our Triple-net segment revenues and 3% of total revenues. In December 2022, ProMedica relinquished to Welltower its 15% interest in 147 skilled nursing facilities previously owned by the Welltower/ProMedica joint venture in exchange for a lease modification, which relieved ProMedica from its lease obligation on the 147 skilled nursing properties and amended the lease on the remaining 58 assisted living and memory care properties that continue to be held by the Welltower/ProMedica joint venture. The 58 assisted living and memory care assets continue to be

operated by ProMedica and backed by the existing guaranty. Concurrently, Welltower and Integra entered into master leases for the skilled nursing portfolio, which are subleased to a variety of regional operators to manage the properties.

For the years ended December 31, 2023 and 2022 our revenues related to our relationship with Genesis Healthcare ("Genesis") accounted for approximately 2% of our Triple-net segment revenues and less than 1% of our total revenues, compared to 6% of our Triple-net segment revenue and 1% of our total revenues for the year ended December 31, 2021. In March 2021, we entered into definitive agreements to substantially exit our operating relationship with Genesis. As of December 31, 2023, our relationship with Genesis was comprised of one property owned 100% by us and leased to Genesis, a loan balance net of allowance for credit losses of \$191,105,000, approximately 9.5 million shares of GEN Series A common stock and a 25% ownership stake in an unconsolidated joint venture that includes two master leases for 28 properties operated by Genesis.

Outpatient Medical

Outpatient Medical Buildings Demand for outpatient medical services is growing as more procedures are performed safely and efficiently outside the hospital setting. State-of-the-art outpatient centers are needed in accessible, consumer-friendly locations. Our portfolio of outpatient medical buildings is an integral part of creating health care provider connectivity in local markets and generally include physician offices, ambulatory surgery centers, diagnostic facilities, outpatient services and/or labs. Approximately 87% of our outpatient medical building portfolio is affiliated with health systems (buildings directly on or adjacent to hospital campuses or with tenants that are satellite locations for the health system and its physicians). We typically lease our outpatient medical buildings to multiple tenants and provide varying levels of property management. Our Outpatient Medical segment accounted for 11%, 12% and 13% of total revenues for each of the years ended December 31, 2023, 2022 and 2021, respectively. No single tenant exceeds 20% of segment revenues.

Investments

Providing high-quality and affordable health care to an aging global population requires vast investments and infrastructure development. We invest in seniors housing and health care real estate primarily through acquisitions, developments and joint venture partnerships. For additional information regarding acquisition and development activity, please see Note 3 to our consolidated financial statements. Our portfolio creates opportunities to connect partners across the continuum of care and drive efficiency. We seek to diversify our investment portfolio by property type, relationship and geographic location. In determining whether to invest in a property, we focus on the following: (1) the experience of the obligor's/partner's management team; (2) the historical and projected financial and operational performance of the property; (3) the credit of the obligor/partner; (4) the security for any lease or loan; (5) the real estate attributes of the building and its location; (6) the capital committed to the property by the obligor/partner; and (7) the operating fundamentals of the applicable industry.

We monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections, and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of, among other things, tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs, and market conditions.

Investment Types

Real Property Our properties are primarily comprised of land, buildings, improvements and related rights. Our triple-net properties are generally leased to operators under long-term operating leases. The leases generally have a fixed contractual term of 12 to 15 years and contain one or more five to 15-year renewal options. Certain of our leases also contain purchase options, a portion of which could result in the disposition of properties for less than full market value if the options were to be exercised. Most of our rents are received under triple-net leases requiring the operator to pay rent and all additional charges incurred in the operation of the leased property. The tenants are required to repair and maintain the leased properties, and our leases often require the tenants to fund a minimum amount related to capital expenditures. Substantially all these operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period.

At December 31, 2023, approximately 97% of our triple-net properties were subject to master leases. A master lease is a lease of multiple properties to one tenant entity under a single lease agreement. From time to time, we may acquire additional properties that are then leased to the tenant under the master lease. The tenant is required to make one monthly payment that represents rent on all the properties that are subject to the master lease. Typically, the master lease tenant can exercise its right to purchase the properties or to renew the master lease only with respect to all leased properties at the same time. We believe this bundling feature benefits us because the tenant cannot limit the purchase or renewal to better performing properties and terminate the leasing arrangement with respect to poorer performing properties. This spreads our risk among the entire group of

properties within the master lease. The bundling feature should provide a similar advantage to us if the master lease tenant is in bankruptcy. Subject to certain restrictions, a debtor in bankruptcy has the right to assume or reject its unexpired leases and executory contracts. In the context of integrated master leases such as ours, our tenants in bankruptcy would be required to assume or reject the master lease as a whole, rather than deciding on a property by property basis.

Our Outpatient Medical portfolio is primarily self-managed and consists mainly of multi-tenant properties leased to health care providers. Our leases typically include increasers and some form of operating expense reimbursement by the tenant. As of December 31, 2023, 62% of our portfolio included leases with full pass through, 31% with a partial expense reimbursement (modified gross) and 7% with no expense reimbursement (gross). Our outpatient medical leases are non-cancellable operating leases that have a weighted-average remaining term of seven years at December 31, 2023 and are often credit enhanced by security deposits, guarantees and/or letters of credit.

Construction We are party to agreements to develop or redevelop properties funded through capital that we and/or our joint venture partners provide. We capitalize certain interest costs associated with funds used for the construction of properties owned by us. The amount capitalized is based upon the amount advanced during the construction period using the rate of interest that approximates our company-wide cost of financing. Our interest expense is reduced by the amount capitalized. The construction period commences once expenditures for the property have been made and activities necessary to get the property ready for its intended use are in progress and terminates when the applicable property is substantially complete and ready for its intended use. During the construction period, we advance funds in accordance with agreed upon terms and conditions which require, among other things, periodic site visits by a company representative. During the construction period, we generally require an additional credit enhancement in the form of holding back a portion of the development fee, requiring a credit support for cost-overrun obligations and/or completion guarantees. As of December 31, 2023, we had outstanding construction investments of \$1,304,441,000 and were committed to provide additional funds of approximately \$966,829,000 to complete construction for consolidated investment properties. We also provide for construction loans which, depending on the terms and conditions, could be treated as loans or investments in unconsolidated entities.

Loans Our real estate loans are typically structured to provide us with interest income, principal amortization and transaction fees. Real estate loans consist of mortgage loans and other real estate loans which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment of the partnership interest in the related properties, corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. As of December 31, 2023, we had outstanding loans, net of allowances, of \$1,691,706,000 with an interest yield of approximately 10.5% per annum. Our yield on loans depends upon a number of factors, including the stated interest rate, average principal amount outstanding during the term of the loan and any interest rate adjustments. The loans outstanding as of December 31, 2023 are generally subject to one to 15-year terms with principal amortization schedules and/or balloon payments of the outstanding principal balances at the end of the term.

Investments in Unconsolidated Entities Investments in entities that we do not consolidate but for which we can exercise significant influence over operating and financial policies are reported under the equity method of accounting. As of December 31, 2023, we had investments in unconsolidated entities of \$1,636,531,000. Our investments in unconsolidated entities generally represent interests ranging from 10% to 95% in real estate assets. Under the equity method of accounting, our share of the investee's earnings or losses is included in our consolidated results of operations. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the entity interest inclusive of transaction costs. We evaluate our equity method investments for impairment based upon a comparison of the estimated fair value of the equity method investment to its carrying value. When we determine a decline in the estimated fair value of such an investment below its carrying value is other-than-temporary, an impairment is recorded.

In Substance Real Estate Additionally, we provide loans to third parties for the acquisition, development and construction of real estate. Under these arrangements, it is possible that we will participate in the expected residual profits of the project through the sale, refinancing or acquisition of the property. We evaluate the characteristics of each arrangement, including its risks and rewards, to determine whether they are more similar to those associated with a loan or an investment in real estate. Arrangements with characteristics implying real estate joint ventures are treated as in substance real estate investments, accounted for using the equity method, and are presented as investments in unconsolidated entities. We have made loans related to 24 properties with a carrying value of \$832,746,000 as of December 31, 2023, which are classified as in substance real estate investments.

Principles of Consolidation

The consolidated financial statements are in conformity with U.S. general accepted accounting principles ("U.S. GAAP") and include the accounts of our wholly owned subsidiaries and joint venture entities that we control, through voting rights or other means. All material intercompany transactions and balances have been eliminated in consolidation.

At inception of joint venture transactions, we identify entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and determine which business enterprise is the primary beneficiary of its operations. A VIE is broadly defined as an entity where either (i) the equity investors as a group, if any, do not have a controlling financial interest, or (ii) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support. We consolidate investments in VIEs when we are determined to be the primary beneficiary. Accounting Standards Codification Topic 810, “Consolidations”, requires enterprises to perform a qualitative approach to determining whether or not a VIE will need to be consolidated. This evaluation is based on an enterprise’s ability to direct and influence the activities of a VIE that most significantly impact that entity’s economic performance.

For investments in joint ventures, U.S. GAAP may preclude consolidation by the sole general partner in certain circumstances based on the type of rights held by the limited partner(s). We assess the limited partners’ rights and their impact on our consolidation conclusions, and we reassess if there is a change to the terms or in the exercisability of the rights of the limited partners, the sole general partner increases or decreases its ownership of limited partnership interests, or there is an increase or decrease in the number of outstanding limited partnership interests. We similarly evaluate the rights of managing members of limited liability companies.

Borrowing Policies

We utilize a combination of debt and equity to fund investments. Generally, we intend to issue unsecured, fixed-rate public debt with long-term maturities to approximate the maturities on our triple-net leases and investment strategy. For short-term purposes, we may borrow on our primary unsecured credit facility or issue commercial paper. We typically replace these borrowings with long-term capital such as senior unsecured notes or common stock. When terms are deemed favorable, we may invest in properties subject to existing mortgage indebtedness. In addition, we may obtain secured financing for unleveraged properties in which we have invested or may refinance properties acquired on a leveraged basis. In certain agreements with our lenders, we are subject to restrictions with respect to secured and unsecured indebtedness.

Competition

We compete with other real estate investment trusts, real estate partnerships, private equity and hedge fund investors, banks, insurance companies, finance/investment companies, government-sponsored agencies, taxable and tax-exempt bond funds, health care operators, developers and other investors in the acquisition, development, leasing and financing of health care and seniors housing properties. We compete for investments based on a number of factors including relationships, certainty of execution, investment structures and underwriting criteria. Our ability to successfully compete is impacted by economic and demographic trends, availability of acceptable investment opportunities, our ability to negotiate beneficial investment terms, availability and cost of capital, construction and renovation costs and applicable laws and regulations.

The operators/tenants of our properties compete with properties that provide comparable services in the local markets. Operators/tenants compete for patients and residents based on a number of factors including quality of care, reputation, physical appearance of properties, location, services offered, family preferences (including a preference for home health services instead of residing in one of our communities), physicians, staff and price. We also face competition from other health care facilities for tenants, such as physicians and other health care providers that provide comparable facilities and services.

For additional information on the risks associated with our business, please see “Item 1A — Risk Factors” of this Annual Report on Form 10-K.

Environmental, Social and Governance

Environmental, Social and Governance (“ESG”) Approach We strive to operate in a responsible, transparent and sustainable manner. Our leadership, through the cross-functional ESG Steering Committee and the Board of Directors (the “Board”), through the Nominating Corporate/Governance Committee, oversees and advances our ESG initiatives. We recognize that focusing on ESG engagement, integration and impact benefits our stakeholders and is fundamental to our business. Our corporate responsibility and sustainability strategy is focused on adopting leading ESG practices across our business and we were recognized for our leadership in this space over the past year in the following ways:

- Achieved a MSCI ESG rating of AA;
- Recognized by the U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy as an ENERGY STAR Partner of the Year for the fifth consecutive year and maintained the level of Sustained Excellence, the EPA’s highest recognition within the ENERGY STAR program, for the third consecutive year;
- Achieved the level of Executive Member in the EPA’s Certification Nation program;
- Maintained top 30% (3rd decile) ISS Quality Score ranking for each of Environment and Social;
- Listed in the FTSE4Good Index since 2012;
- Named to the Bloomberg Gender-Equality Index for the fifth consecutive year;
- Maintained Prime status under the ISS-ESG Corporate Rating for the fifth consecutive year;
- Improved GRESB score and maintained GRESB Green Star status for the third consecutive year;

- Received the Labrador 2023 Transparency Award Top 3 in Real Estate for the second consecutive year;
- Recognized for industry-leading governance practices, including #1 ranking from Green Street Advisors for Corporate Governance amongst all US REITs; and
- Honored by the Women's Forum of New York for the ratio of women on our Board being above the national average.

Environmental We are committed to operating in a sustainable manner that helps to reduce the Company's environmental impact. Our goal is prudent environmental stewardship with a focus on reducing our greenhouse gas emissions, energy consumption, water usage, and waste production; mitigating climate change risks; and implementing energy efficiency, water efficiency, and renewable energy technologies across our portfolio. We work with our stakeholders, including employees, vendors, operators, residents, and tenants, in an effort to meet these objectives by encouraging and following evolving practices of environmental sustainability, including benchmarking our portfolio in ENERGY STAR Portfolio Manager, obtaining green building certifications, implementing green technologies, and performing portfolio-wide physical and transition risk analysis to identify opportunities to help mitigate these risks.

In December 2019, we issued our inaugural green bond of \$500,000,000 of 2.700% senior unsecured notes due 2027 and in March 2022 we issued an additional green bond of \$550,000,000 of 3.85% senior unsecured notes due 2032. The net proceeds from the offerings have been used to fund energy efficiency, water conservation and green building projects. As of September 30, 2023, we have utilized all of the proceeds from these issuances on such projects.

Social We value and are committed to our employees. We believe that a diverse workplace produces a variety of perspectives, motivates employees and helps us understand and better serve our stakeholders, and the communities in which we do business. As of December 31, 2023, our U.S. employees self-identified as follows:

Ethnicity	Male	Female
Asian	8 %	13 %
Black or African American	5 %	7 %
Hispanic or Latino	9 %	10 %
Native Hawaiian or Other Pacific Islander	— %	— %
Two or More Races	1 %	2 %
White	77 %	68 %
	100 %	100 %
Gender	51 %	49 %

We have reinforced our already strong commitment to diversity and inclusion through our Diversity Council and support of our seven employee network groups ("ENGs"). Our ENGs include women, families, racial and ethnic minorities, military, young professionals, and those who identify as LGBTQI+ and their allies. Our ENGs provide support, education, networking opportunities and community belonging for our employees. Our support of diversity and inclusion through our Diversity Council and ENGs, taken together with other employee initiatives, such as tailored messaging, training and discussions on equality and belonging, support our efforts to compete for and foster talent and inclusiveness in an ever-changing workforce.

In addition, we have several social initiatives in place that are focused on fostering a more diverse workforce, engaging with our communities and promoting the health and well-being of our employees, tenants and residents. The Welltower Charitable Foundation (the "Foundation") financially supports charitable initiatives related to aging, health care, the environment, education and the arts. We encourage our employees to give back to the community by matching their contributions and donating their time to eligible charitable organizations. Funds are also allocated to each of our ENGs to make charitable contributions in support of their programming efforts. Additionally, the Foundation facilitates presentations for charities to compete in the Give-WELL campaign. This campaign enables our employees to present and vote for charities that will receive donations from the Foundation. During 2023, we sponsored our fourth annual Day of Giving so our employees could collaborate to make an impact with local charitable organizations through volunteer opportunities. See the Human Capital section below for additional information regarding employee initiatives and programs.

Governance Our commitment to diversity starts at the top with a highly knowledgeable, skilled and diverse Board. As of December 31, 2023, our ten Directors self-identified as follows:

	Board Composition			
	Ethnicity		Gender	
Asian	10	%	Male	60
Black or African American	20	%	Female	40
Hispanic or Latino	20	%		100
White	50	%		
	100	%		

Nine of our ten Directors are independent, and the independent Chair of our Board is held by a Black/African American male. Four of five, or 80%, of our Board committees are chaired by either a Female (2), Hispanic/Latino (1) or Black/African American (1) Director.

Additional information regarding our ESG programs and initiatives is available in our 2022 Environmental, Social and Governance Report (located on our website at www.welltower.com). Information on our website, including our Environmental, Social and Governance Report or sections thereof, is not incorporated by reference into this Annual Report.

Human Capital

Our employees are our greatest asset. As of December 31, 2023, we had 533 employees (511 located in United States, 14 in the United Kingdom and eight in Canada). We are committed to the success of our people and the unique combination of skills and experiences they bring to achieving our mission.

Employee Engagement High employee engagement and satisfaction are critical to attracting and retaining top talent. Annually, we conduct an employee engagement survey through an independent third party, measuring our progress on important employee issues such as manager relationships, employee empowerment, performance management and resources and support, and identifying opportunities for growth and improvement.

Employee Development Programs and Performance Management Development through the talent pipeline, recognizing and rewarding performance and providing opportunities for continued growth are the cornerstones of our Human Capital strategy. We offer employees resources, trainings and tools designed to develop future leaders, advance careers and attract and retain talent, including but not limited to our robust early career programs, formal mentorship and coaching programs, manager development training, skill development courses and education assistance. During 2023, we continued executive management coaching programs to equip leaders with structured 360 feedback, customized development plans and guidance on company-wide succession planning. For many of our vice presidents and senior vice presidents, we provided one-on-one leadership coaching, focusing on maximizing their executive leadership potential.

Compensation and Benefits In addition to salary, our compensation and benefits programs include annual short-term incentive bonuses, long-term incentive stock awards, retirement plans, an employee stock purchase plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, parental and caregiver leave, senior wellness leave, employee assistance programs, tuition assistance and health and wellness reimbursement programs, among many others. We are committed to supporting the diverse needs of our workforce, and with the assistance of independent third parties, we annually evaluate and benchmark the competitiveness of our compensation and benefits programs. Our focus remains on fair pay practices that reward performance while aligning with the evolving needs of our employees.

Health, Safety and Wellness The success of our business is fundamentally connected to the safety and well-being of our employees, tenants, operators and managers, and their residents and visitors, as the case may be. We provide our employees and their families access to numerous innovative, flexible and convenient health and wellness programs that support physical, mental and financial well-being. In 2023, our focus remained on providing a safe office environment for our employees while continuing to allow for remote work, hybrid work and flexible work schedules where feasible. With the support of the varying work arrangements and a geographically dispersed workforce, we continued to develop ways to best support and communicate with our people. We continued to improve our employee experience by growing our internal communication platform (intranet), enhancing connectivity and collaboration. The mobile applications used created an easily accessible digital home-base where all company communications, including important office announcements, must-read company articles and external media engagements are located. Additional communication tools, including podcasts, town hall meetings, team events (virtually and in person) and dedicated communication channels for ENGs, demonstrate our commitment to ensuring employee alignment and engagement.

Credit Concentrations Please see Note 9 to our consolidated financial statements.

Geographic Concentrations Please see "Item 2 – Properties" below and Note 18 to our consolidated financial statements.

Certain Government Regulations

United States

Health Law Matters — Generally

Typically, operators of seniors housing facilities do not receive significant funding from government programs and are largely subject to state laws, as opposed to federal laws. Operators of long-term/post-acute care facilities and hospitals do receive significant funding from government programs, and these facilities are subject to extensive regulation, including federal and state laws covering the type and quality of medical and/or nursing care provided, ancillary services (e.g., respiratory, occupational, physical and infusion therapies), qualifications of the administrative personnel and nursing staff, the adequacy of the physical plant and equipment, reimbursement and rate setting and operating policies. In addition, as described below, operators of these facilities are subject to extensive laws and regulations pertaining to health care fraud and abuse, including, but not limited to, the federal Anti-Kickback Statute (“AKS”), the federal Stark Law (“Stark Law”), and the federal False Claims Act (“FCA”), as well as comparable state laws. Hospitals, physician group practice clinics, and other health care providers that operate in our portfolio are subject to extensive federal, state, and local licensure, registration, certification, and inspection laws, regulations, and industry standards, as well as other conditions of participation in federal and state government programs such as Medicare and Medicaid. Further, operators of long-term care facilities are required to have in place compliance and ethics programs that meet the requirements of federal laws and regulations. Our tenants’ failure to comply with applicable laws and regulations could result in, among other things: loss of accreditation; denial of reimbursement; imposition of fines; suspension, decertification, or exclusion from federal and state health care programs; loss of license; or closure of the facility. See risk factors “The requirements of, or changes to, governmental reimbursement programs, such as Medicare or Medicaid, could have a material adverse effect on our obligors’ liquidity, financial condition and results of operations, which could adversely affect our obligors’ ability to meet their obligations to us” and “Our operators’ or tenants’ failure to comply with federal, state, local and industry-regulated licensure, certification and inspection laws, regulations, and standards could adversely affect such operators’ or tenants’ operations, which could adversely affect our operators’ and tenants’ ability to meet their obligations to us” in “Item 1A – Risk Factors” below. Moreover, in light of certain arrangements that Welltower may pursue with healthcare entities who are directly subject to laws and regulations pertaining to health care, and, given that certain of our arrangements are structured under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 (“RIDEA”), certain health care fraud and abuse laws and data privacy laws could apply directly to Welltower. See risk factor “We assume operational and legal risks with respect to our properties managed in RIDEA structures that could have a material adverse effect on our business results of operations, and financial condition” in “Item 1A - Risk Factors” below.

Licensing and Certification

The primary regulations that affect seniors housing facilities are state licensing and certification laws. For example, certain health care facilities are subject to a variety of licensure and certificate of need (“CON”) laws and regulations. Where applicable, CON laws generally require, among other requirements, that a facility demonstrate the need for (1) constructing a new facility, (2) adding beds or expanding an existing facility, (3) investing in major capital equipment or adding new services, (4) changing the ownership or control of an existing licensed facility or (5) terminating services that have been previously approved through the CON process. Certain state CON laws and regulations may restrict the ability of operators to add new properties or expand an existing facility’s size or services. In addition, CON laws may constrain the ability of an operator to transfer responsibility for operating a particular facility to a new operator.

With respect to licensure, generally our seniors housing and long-term/post-acute care facilities are required to be licensed by the applicable state regulatory authority. The failure of our operators to maintain or renew any required license or regulatory approval as well as the failure of our operators to correct serious deficiencies identified in a compliance survey could require those operators to discontinue operations at a property and could result in suspension of new admissions or loss of licensure. Our entities are named on licenses for nearly all of the RIDEA portfolio and the loss of a license for one facility can require reporting in other jurisdictions.

Reimbursement

The reimbursement methodologies applied to health care facilities continue to evolve. Federal and state authorities have considered and implemented and may continue seeking to implement new or modified reimbursement methodologies, including value-based reimbursement methodologies that may negatively impact health care property operations. Likewise, third-party payors may continue imposing greater controls on operators, including through changes in reimbursement rates and fee structures. The impact of any such changes, if implemented, may result in a material adverse effect on our portfolio. No assurance can be given that current revenue sources or levels will be maintained. Accordingly, there can be no assurance that payments under a government health care program are currently, or will be in the future, sufficient to fully reimburse the property operators for their operating and capital expenses.

- *Seniors Housing Facilities* The majority of the revenues received by the operators of U.S. seniors housing facilities are from private pay sources. The remaining revenue source is primarily Medicaid provided under state waiver programs for home and community-based care. There can be no guarantee that a state Medicaid program operating pursuant to a waiver will be able to maintain its waiver status. Rates paid by self-pay residents are set by the facilities and are determined by local market conditions and operating costs. Generally, facilities receive a higher payment per day for a private pay resident than for a Medicaid beneficiary who requires a comparable level of care. The level of Medicaid reimbursement varies from state to state. Thus, the revenues generated by operators of our assisted living facilities may be adversely affected by payor mix, acuity level, or changes in Medicaid eligibility and reimbursement levels.
- *Long-Term/Post-Acute Care Facilities* The majority of the revenues received by the operators of these facilities are from the Medicare and Medicaid programs, with the balance representing reimbursement payments from private payors and patients. Consequently, changes in federal or state reimbursement policies may adversely affect an operator's ability to cover its expenses, including our rent or debt service. Long-term/post-acute care facilities are subject to periodic pre- and post-payment reviews and other audits by federal and state authorities. A review or audit of a property operator's claims could result in recoupments, denials or delay of payments in the future. Due to the significant judgments and estimates inherent in payor settlement accounting, no assurance can be given as to the adequacy of any reserves maintained by our property operators to cover potential adjustments to reimbursements or to cover settlements made to payors.
 - *Medicare Reimbursement* Generally, long-term/post-acute care facilities are reimbursed by Medicare under prospective payment systems, which generally provide reimbursement based upon a predetermined fixed amount per episode of care and are updated by the Centers for Medicare and Medicaid Services ("CMS"), an agency of the Department of Health and Human Services ("HHS") annually. There is a risk under these payment systems that costs will exceed the fixed payments, or that payments may be set below the costs to provide certain items and services. The HHS Office of Inspector General has released recommendations to address skilled nursing facility ("SNF") billing practices and Medicare payment rates, which may impact our tenants and operators. In September 2022, HHS announced that additional data about the ownership of all Medicare-certified nursing homes will be released to the public, and in June 2023, CMS began publishing additional information regarding Medicare-certified nursing homes with common owners and operators, referred to as "affiliated entities," including names of affiliated owners and aggregate data on the safety, staffing, and quality of affiliated entities. This information will make it easier for stakeholders (such as state licensing officials, state and federal law enforcement and researchers) and the public to identify common owners of nursing homes across different nursing home locations. The information will also allow for greater accessibility to information regarding facilities' performance and any common ownership links among facilities with poor performance. CMS announced it is increasing scrutiny and oversight over the country's poorest performing nursing facilities by strengthening requirements for completion of the Special Focus Facility Program and increasing enforcement actions against facilities that fail to demonstrate improvement, including denial of payment and potential loss of Medicare certification.
 - *Medicaid Reimbursement* Many states reimburse SNFs using fixed daily rates, which are applied prospectively based on patient acuity and the historical costs incurred in providing patient care. In most states, Medicaid does not fully reimburse the cost of providing services. Certain states are attempting to slow the rate of Medicaid growth by freezing rates or restricting eligibility and benefits. In addition, Medicaid reimbursement rates may decline if state revenues in a particular state are not sufficient to fund budgeted expenditures. Health reform measures could be implemented as a result of political, legislative, regulatory and administrative developments and judicial proceedings. On February 28, 2022, President Biden announced reforms to be implemented by CMS to ensure that: (a) every nursing home provides a sufficient number of staff who are adequately trained to provide high-quality care; (b) poorly performing nursing homes are held accountable for improper and unsafe care and immediately improve their services or are cut off from taxpayer dollars; and (c) the public has better information about nursing home conditions so that they can find the best available options. These reforms include minimum staffing requirements, reinforced safeguards against unnecessary medications, more funding for inspection activities, increased scrutiny on poor performers and expanded financial penalties and other sanctions. More recently, on November 15, 2023, CMS issued a Final Rule to implement portions of the Patient Protection and Affordable Care Act that require the disclosure of certain ownership and managerial information regarding Medicare SNFs and Medicaid nursing facilities, including updates to identify REIT ownership of SNFs. We cannot predict whether the existing Health Reform Laws, or future health care reform legislation, executive order, or regulatory changes, will have a material impact on our operators' or tenants' property or business.
- *Medicare Reimbursement for Physicians, Hospital Outpatient Departments ("HOPDs"), and Ambulatory Surgical Centers ("ASCs")* Changes in reimbursement to physicians, HOPDs and ASCs may further affect our tenants and operators. Generally, Medicare reimburses physicians under the Physician Fee Schedule, while HOPDs and ASCs are reimbursed under prospective payment systems. The Physician Fee Schedule and the HOPD and ASC prospective payment systems are updated annually by CMS. These annual Medicare payment regulations have resulted in lower net pay increases than providers of those services have often expected. In addition, the Medicare and Children's Health Insurance Program Reauthorization Act of 2015 ("MACRA") includes payment reductions for providers who do not meet

government quality standards. The implementation of pay-for-quality models like those required under MACRA has the potential to produce funding disparities that could adversely impact some provider tenants in outpatient medical buildings and other health care properties. Changes in Medicare Advantage plan payments may also indirectly affect our operators and tenants that contract with Medicare Advantage plans.

Fraud & Abuse Enforcement

Long-term/post-acute care facilities (and seniors housing facilities that receive Medicaid payments) are subject to federal, state, and local laws, regulations, and applicable guidance that govern the operations and financial and other arrangements that may be entered into by health care providers. Certain of these laws, such as the AKS and Stark Law, prohibit direct or indirect payments of any kind for the purpose of inducing or encouraging the referral of patients for medical products or services reimbursable by government health care programs. Other government health program laws require providers to furnish only medically necessary services and submit to the government valid and accurate statements for each service. Our operators and tenants that receive payments from federal health care programs, such as Medicare and Medicaid, are subject to substantial financial penalties under the Civil Monetary Penalties Act and the FCA upon a finding of noncompliance with such laws. In addition, states may also have separate false claims acts, which, among other things, generally prohibit health care providers from filing false claims or making false statements to receive payments. Federal and state FCAs contain "whistleblower" provisions that permit private individuals to bring health care fraud enforcement claims on behalf of the government. Still other laws require providers to comply with a variety of safety, health and other requirements relating to the condition of the licensed property and the quality of care provided. Sanctions for violations of these laws, regulations and other applicable guidance may include, but are not limited to, criminal and/or civil penalties and fines, loss of licensure, immediate termination of government payments, exclusion from any government health care program, damage assessments and imprisonment. In certain circumstances, violation of these rules (such as those prohibiting abusive and fraudulent behavior) with respect to one property may subject other facilities under common control or ownership to sanctions, including exclusion from participation in the Medicare and Medicaid programs, as well as other government health care programs, and revocation of healthcare licenses. In the ordinary course of its business, a property operator is regularly subjected to inquiries, investigations and audits by the federal and state agencies that oversee these laws and regulations.

Prosecutions, investigations or whistleblower actions could have a material adverse effect on a property operator's liquidity, financial condition, and operations, which could adversely affect the ability of the operator to meet its financial obligations to us. In addition, government investigations and enforcement actions brought against the health care industry have increased dramatically over the past several years and are expected to continue. The costs for an operator of a health care property associated with both defending such enforcement actions and the undertakings in settling these actions can be substantial and could have a material adverse effect on the ability of an operator to meet its obligations to us. In addition, Welltower could potentially be directly subject to these health care fraud and abuse laws, as well as potential investigation or enforcement, as a result of our RIDEA-structured arrangements, and certain collaboration or other arrangements we may pursue with stakeholders who are directly subject to these laws.

Federal and State Data Privacy and Security Laws

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and numerous other state and federal laws govern the collection, security, dissemination, use, access to and confidentiality of personal information, including individually identifiable health information. Violations of these laws may result in regulatory scrutiny, lawsuits or substantial civil and/or criminal fines and penalties, including regulatory consent orders. The costs to a business such as ours or to an operator of a health care property associated with developing and maintaining programs and systems to comply with data privacy and security laws, defending against privacy and security related claims or enforcement actions and paying any assessed fines, can be substantial. Moreover, such costs could have a material adverse effect on the ability of an operator to meet its obligations to us. Finally, data privacy and security laws and regulations continue to develop, including with regard to HIPAA and U.S. state privacy laws. The California Consumer Privacy Act ("CCPA") has been amended by the California Privacy Rights Act. These updates and the comprehensive privacy laws from California, Colorado, Connecticut and Utah are all in effect, and further state comprehensive privacy laws and certain health-focused privacy laws, such as the Washington My Health My Data Act, will become effective over the course of 2024. Furthermore, many states have introduced legislation that would revise or implement new such laws and many states have promulgated regulations, which continue to evolve, to implement existing legislation. As we use data to better inform our investments and the efficacy of care in our communities, these developments may add potential uncertainty and costs towards compliance obligations, business operations or transactions that depend on data. These evolving privacy laws may create restrictions or requirements in our, our operators' and other business partners' use, sharing and retention of data. New privacy and security laws could require substantial investment in resources to comply with regulatory changes as privacy and security laws proliferate in divergent ways or impose additional obligations, and potentially create new privacy related legal risks.

United Kingdom

In the U.K., care home services are principally regulated by the Health and Social Care Act 2008 (as amended) and other regulations including the Health and Care Act 2022. This legislation subjects service providers to a number of legally binding "Fundamental Standards" and requires, amongst other things, that all persons carrying out "Regulated Activities" in the U.K., and the managers of such persons, be registered. Providers of care home services are also subject (as data controllers) to laws governing their use of personal data (including in relation to their employees, clients and recipients of their services). These laws currently take the form of the U.K.'s Data Protection Act 2018 and the U.K. General Data Protection Regulation (collectively "U.K. DP Laws"). U.K. DP Laws impose a significant number of obligations on controllers with the potential for fines of up to 4% of annual worldwide turnover or £17.5 million, whichever is greater. Further, entities may also be subject to the E.U. General Data Protection Regulation ("E.U. GDPR"). Similarly, the E.U. GDPR imposes obligations on controllers with the potential for fines of up to 4% of annual worldwide turnover or €20 million, whichever is greater. The U.K. DP Laws may be subject to change with the introduction of the Data Protection and Digital Information ("DPDI") Bill in 2023. Entities incorporated in or carrying on a business in the U.K., as well as individuals residing in the U.K., are also subject to the U.K. Bribery Act 2010. The U.K. has national minimum wage legislation with a maximum fine for non-payment of £20,000 per worker and employers who fail to pay will be banned from being a company director for up to 15 years.

Canada

Senior living residences in Canada are provincially regulated. Within each province, there are different categories for senior living residences that are generally based on the level of care sought and/or required by a resident (e.g. assisted or retirement living, senior living residences, residential care, long-term care). In some of these categories and depending on the province, residences may be government funded, or the individual residents may be eligible for a government subsidy, while other residences are exclusively private pay. The governing legislation and regulations vary by province, but generally the object of the laws is to set licensing requirements and minimum standards for senior living residences, and regulate operations. These laws empower regulators in each province to take a variety of steps to ensure compliance, conduct inspections, issue reports and generally regulate the industry.

Our operations in Canada are subject to privacy legislation, including, in certain provinces, privacy laws specifically related to personal health information. Although the obligations of senior living residences in the various provinces differ, they all include the obligation to protect personal information. Under some of these laws, notification to the regulator in the event of an actual or suspected privacy breach is mandatory. The powers of privacy regulators and penalties for violations of privacy law vary according to the applicable law or are left to the courts. In September 2021, the province of Quebec adopted significant amendments to its privacy legislation, including a new enforcement scheme with significant penalties and fines: up to CAD \$10 million or 2% of global turnover (whichever is greater) for administrative monetary penalties and up to CAD \$25 million or 4% of global turnover for penal fines. The amendments take effect in three stages: (i) a few provisions on September 22, 2022, (ii) most provisions on September 22, 2023 (including the new enforcement scheme), and (iii) one provision on September 23, 2024. Senior living residences may also be subject to laws pertaining to residential tenancy, provincial and/or municipal laws applicable to fire safety, food services, zoning, occupational health and safety, public health and the provision of community health care and funded long-term/post-acute care.

Taxation

The following summary of the taxation of the Company and the material U.S. federal income tax consequences to the holders of the equity of the Company and the debt securities of the Company and Welltower OP (defined below) is for general information only and is not tax advice. This summary does not address all aspects of taxation that may be relevant to certain types of holders of stock or securities (including, but not limited to, insurance companies, tax-exempt entities, financial institutions or broker-dealers, persons holding shares of common stock as part of a hedging, integrated conversion, or constructive sale transaction or a straddle, traders in securities that use a mark-to-market method of accounting for their securities, investors in pass-through entities and non-U.S. corporations and persons who are not citizens or residents of the United States).

This summary does not discuss all of the aspects of U.S. federal income taxation that may be relevant to you in light of your particular investment or other circumstances. In addition, this summary does not discuss any state or local income taxation or non-U.S. income taxation or other non-U.S. tax consequences. This summary is based on current U.S. federal income tax laws. Subsequent developments in U.S. federal income tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income tax consequences of purchasing, owning and disposing of our securities as set forth in this summary. Before you purchase our securities, you should consult your own tax advisor regarding the particular U.S. federal, state, local, non-U.S. and other tax consequences of acquiring, owning and selling our securities.

General

Prior to the Reorganization on April 1, 2022, whereby Old Welltower, became a wholly owned subsidiary of WELL Merger Holdco Sub Inc. in a transaction intending to qualify as a reorganization under Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended (the "Code"). In connection with the Reorganization, Old Welltower changed its name to Welltower OP Inc., WELL Merger Holdco Sub Inc. changed its name to Welltower Inc. and Old Welltower became a "qualified REIT subsidiary" of the Company. Effective on May 24, 2022, Welltower OP Inc. converted from a Delaware corporation into a Delaware limited liability company named Welltower OP LLC. Prior to the Reorganization, Old Welltower elected to be taxed as a REIT and was organized and operated in a manner intended to qualify as a REIT. As a result of the Reorganization, the Company is treated as a continuation of Old Welltower for U.S. federal income tax purposes and references in this summary to "the Company," "us," or "we" include references to Old Welltower unless otherwise specified or clearly required by the context.

We have been organized and operated in a manner intended to qualify as a REIT and we intend to continue to operate in such a manner as to qualify as a REIT, but there can be no assurance that we will qualify or remain qualified as a REIT. Qualification and taxation as a REIT depend upon our ability to meet a variety of qualification tests imposed under U.S. federal income tax law with respect to our income, assets, distributions and share ownership, as discussed below under "Qualification as a REIT."

In any year in which we qualify as a REIT, in general, we will not be subject to U.S. federal income tax on that portion of our REIT taxable income or capital gain that is distributed to stockholders. We may, however, be subject to tax at normal corporate rates on any taxable income or capital gain not distributed. If we elect to retain and pay income tax on our net capital gain, stockholders would be taxed on their proportionate shares of our undistributed net capital gain and would receive a refundable credit for their shares of any taxes paid by us on such gain.

Despite qualifying as a REIT, we may be subject to U.S. federal income and excise tax as follows:

- To the extent that we do not distribute all of our net capital gain or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates;
- If we have net income from the sale or other disposition of "foreclosure property" that is held primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, such income will be taxed at the highest corporate rate;
- Any net income from prohibited transactions (which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than dispositions of foreclosure property) will be subject to a 100% tax;
- If we fail to satisfy either the 75% or 95% gross income tests (as discussed below), but nonetheless maintain our qualification as a REIT because certain other requirements are met, we will be subject to a 100% tax on an amount equal to (1) the gross income attributable to the greater of (i) 75% of our gross income over the amount of qualifying gross income for purposes of the 75% gross income test (discussed below) or (ii) 95% of our gross income over the amount of qualifying gross income for purposes of the 95% gross income test (discussed below) multiplied by (2) a fraction intended to reflect our profitability;
- If we fail to distribute during each year at least the sum of (1) 85% of our REIT ordinary income for the year, (2) 95% of our REIT capital gain net income for such year (other than capital gain that we elect to retain and pay tax on) and (3) any undistributed taxable income from preceding years, we will be subject to a 4% excise tax on the excess of such required distribution over amounts actually distributed and;
- We will be subject to a 100% tax on certain amounts from certain transactions involving our "taxable REIT subsidiaries" that are not conducted on an arm's length basis. See "Investments in Taxable REIT Subsidiaries."

We have acquired assets from "C" corporations in carryover basis transactions and may do so again in the future. A "C" corporation is generally defined as a corporation that is required to pay full corporate level U.S. federal income tax. If we recognize gain on the disposition of such assets during the five-year period beginning on the date on which the assets were acquired by us, then, to the extent of the assets' "built-in gain" (e.g., the excess of the fair market value of the asset over the adjusted tax basis of the asset, in each case determined as of the beginning of the five-year period), we will be subject to tax on the gain at the highest regular corporate rate applicable. The results described in this paragraph with respect to the recognition of built-in gain assume that the "C" corporation did not make and was not treated as making an election to treat the built-in gain assets as sold to an unrelated party on the date they were acquired by us. For our assets that are subject to the built-in gains tax, the potential amount of built-in gains tax will be an additional factor when considering a possible sale of such assets within the five-year period beginning on the date on which the assets were acquired by us. See Note 19 to our consolidated financial statements for additional information regarding the built-in gains tax.

Qualification as a REIT

A REIT is defined as a corporation, trust or association:

- (1) which is managed by one or more trustees or directors;
- (2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;
- (3) which would be taxable as a domestic corporation but for the U.S. federal income tax law relating to REITs;
- (4) which is neither a financial institution nor an insurance company;
- (5) the beneficial ownership of which is held by 100 or more persons in each taxable year of the REIT except for its first taxable year;
- (6) not more than 50% in value of the outstanding stock of which is owned during the last half of each taxable year, excluding its first taxable year, directly, indirectly or constructively, by or for five or fewer individuals (which includes certain entities) (the "Five or Fewer Requirement"); and
- (7) which meets certain income and asset tests described below.

Conditions (1) to (4), inclusive, must be met during the entire taxable year and condition (5) must be met during at least 335 days of a taxable year of 12 months or during a proportionate part of a taxable year of less than 12 months. For purposes of condition (6), pension funds and certain other tax-exempt entities are treated as individuals, subject to a "look-through" exception in the case of certain pension funds.

Based on publicly available information, we believe we have satisfied the share ownership requirements set forth in (5) and (6) above. In addition, Article VI of our by-laws provides for restrictions regarding ownership and transfer of shares. These restrictions are intended to assist us in continuing to satisfy the share ownership requirements described in (5) and (6) above but may not ensure that we will, in all cases, be able to satisfy such requirements.

We have complied with, and will continue to comply with, tax regulatory rules to send annual letters to certain of our stockholders requesting information regarding the actual ownership of our stock. If, despite sending the annual letters, we do not know, or after exercising reasonable diligence would not have known, whether we failed to meet the Five or Fewer Requirement, we will be treated as having met the Five or Fewer Requirement. If we fail to comply with these tax regulatory rules, we will be subject to a monetary penalty. If our failure to comply were due to intentional disregard of the requirement, the penalty would be increased. However, if our failure to comply were due to reasonable cause and not willful neglect, no penalty would be imposed.

For purposes of the REIT income and asset tests our assets and income will include any asset owned and any income earned directly or indirectly through a disregarded entity, including a "qualified REIT subsidiary," and a proportionate share of the assets of, and any income earned through, any entity we own that is treated as a partnership for U.S. federal income tax purposes, including Welltower OP. A corporation will qualify as a "qualified REIT subsidiary" if 100% of its stock is owned by a REIT, and the REIT does not elect to treat the subsidiary as a taxable REIT subsidiary.

We will own substantially all of our assets and earn substantially all of our income through Welltower OP and its direct or indirect subsidiaries. Prior to the LLC Conversion, Welltower OP was treated as a "qualified REIT subsidiary," provided that we qualified as a REIT during this period. After the LLC Conversion, Welltower OP became a disregarded entity for U.S. federal income tax purposes and was treated as a disregarded entity until additional regarded members were admitted to Welltower OP, at which time Welltower OP became a regarded entity treated as a partnership for U.S. federal income tax purposes.

Although we intend for any partnership in which we have acquired or will acquire an interest, directly or indirectly (a "Subsidiary Partnership"), to operate in a manner consistent with the requirements for our qualification as a REIT, we will be an indirect limited partner or non-managing member in some of the Subsidiary Partnerships. Though we nonetheless expect that all such Subsidiary Partnerships will be required to operate in a manner consistent with the requirements for our qualification as a REIT, if a Subsidiary Partnership in which we own an interest but do not have control takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a Subsidiary Partnership could take an action which could cause us to fail a gross income or asset test and that we would not become aware of such action in time for us to dispose of our interest in the Subsidiary Partnership or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were able to qualify for a statutory REIT "savings" provision, which could require us to pay a significant penalty tax to maintain our REIT qualification.

Income Tests There are two separate percentage tests relating to our sources of gross income that we must satisfy each taxable year:

- At least 75% of our gross income (excluding gross income from certain sales of property held primarily for sale) generally must be directly or indirectly derived each taxable year from “rents from real property,” dividends or other distributions on, and gain (other than gain from prohibited transactions) from the sale or other disposition of, REIT shares, mortgages on real property, other income from investments relating to real property or certain income from qualified temporary investments (the “75% gross income test”).
- At least 95% of our gross income (excluding gross income from certain sales of property held primarily for sale) generally must be directly or indirectly derived each taxable year from any of the sources qualifying for the 75% gross income test and from dividends (including dividends from taxable REIT subsidiaries) and interest (the “95% gross income test”).

Income from hedging and non-U.S. currency transactions is excluded from the 95% and 75% gross income tests if certain requirements are met but otherwise will constitute gross income which does not qualify under the 95% or 75% gross income tests.

Rents received by us will qualify as “rents from real property” for purposes of satisfying the gross income tests for a REIT only if several conditions are met:

- The amount of rent must not be based in whole or in part on the income or profits of any person, although rents generally will not be excluded merely because they are based on a fixed percentage or percentages of receipts or sales.
- Rents received from a tenant will not qualify as rents from real property if the REIT, or an owner of 10% or more of the REIT, directly or constructively owns 10% or more of the tenant, unless the tenant is our taxable REIT subsidiary and certain other requirements are met with respect to the real property being rented.
- If rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as “rents from real property.”
- For rents to qualify as rents from real property, we generally must not furnish or render services to tenants, other than through a taxable REIT subsidiary or an “independent contractor” from whom we derive no income, except that we may directly provide services that are usually or customarily rendered in the geographic area in which the property is located in connection with the rental of real property for occupancy only or are not otherwise considered rendered to the occupant for the occupant’s convenience.
- We may lease “qualified health care properties” on an arm’s-length basis to a taxable REIT subsidiary if the property is operated on behalf of such subsidiary by a person that qualifies as an “independent contractor” and that is, or is related to a person that is, actively engaged in the trade or business of operating health care facilities for any person unrelated to us or our taxable REIT subsidiary (such person, an “eligible independent contractor”). If this is the case, the rent that the REIT receives from the taxable REIT subsidiary generally will be treated as “rents from real property.” A “qualified health care property” includes any real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility that extends medical or nursing or ancillary services to patients and is operated by a provider of such services that is eligible for participation in the Medicare program with respect to such facility.

A REIT is permitted to render a de minimis amount of impermissible services to tenants of a property and still treat rents received with respect to that property as rent from real property. The amount received or accrued by the REIT during the taxable year for the impermissible services with respect to a property may not exceed 1% of all amounts received or accrued by the REIT directly or indirectly from the property. The amount received for any service or management operation for this purpose shall be deemed to be not less than 150% of the direct cost of the REIT in furnishing or rendering the service or providing the management or operation. Furthermore, impermissible services may be furnished to tenants by a taxable REIT subsidiary subject to certain conditions, which would permit us to still treat rents received with respect to the property as rent from real property.

The term “interest” generally does not include any amount if the determination of the amount depends in whole or in part on the income or profits of any person, although an amount generally will not be excluded from the term “interest” solely by reason of being based on a fixed percentage of receipts or sales or by reason of being based on the income or profits of a debtor which derives substantially all of its income with respect to the property securing such debt from the leasing of substantially all of such property to tenants, to the extent that the rents paid by the tenants would qualify as rents from real property if the Company earned such amounts directly.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for such year if we are eligible for certain relief provisions provided by the Code. These relief provisions generally will be available if (1) following our identification of the failure, we file a schedule for such taxable year describing each item of our gross income, and (2) the failure to meet such tests was due to reasonable cause and not due to willful neglect. It is not now possible to determine the circumstances under which we may be entitled to the benefit of these relief provisions. If these relief provisions apply, a 100% tax is imposed on an amount equal to (1) the gross income attributable to (i) 75% of our gross income over the amount of qualifying gross income for purposes of the 75% gross income test and (ii) 95% of our gross income over the amount of qualifying gross income for purposes of the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability. The Secretary of the Treasury is given broad authority to determine whether particular items of income or gain qualify under the 75% and 95% gross income tests and to exclude items from the measure of gross income for such purposes.

Asset Tests Within 30 days after the close of each quarter of our taxable year, we must also satisfy several tests relating to the nature and diversification of our assets determined in accordance with generally accepted accounting principles. At least 75% of the value of our total assets must be represented by real estate assets (including interests in real property, interests in mortgages on real property or on interests in real property, shares in other REITs and debt instruments issued by publicly offered REITs), cash, cash items (including receivables arising in the ordinary course of our operation), government securities and qualified temporary investments (the "75% asset test"). Although the remaining 25% of our assets generally may be invested without restriction, we are prohibited from owning securities representing more than 10% of either the vote (the "10% vote test") or value (the "10% value test") of the outstanding securities of any issuer other than another REIT or a taxable REIT subsidiary. Further, no more than 20% of our total assets may be represented by securities of one or more taxable REIT subsidiaries (the "20% asset test") and no more than 5% of the value of our total assets may be represented by securities of any non-governmental issuer (the "5% asset test") other than a qualified REIT subsidiary, another REIT or a taxable REIT subsidiary. Each of the 10% vote test, the 10% value test and the 20% and 5% asset tests must be satisfied at the end of each quarter. There are special rules which provide relief if the value-related tests are not satisfied due to changes in the value of the assets of a REIT.

Certain items are excluded from the 10% value test, including: (1) straight debt securities meeting certain requirements; (2) any loan to an individual or an estate; (3) any rental agreement described in Section 467 of the Code, other than with a "related person"; (4) any obligation to pay rents from real property; (5) certain securities issued by a state or any subdivision thereof, the District of Columbia, a non-U.S. government, or any political subdivision thereof, or the Commonwealth of Puerto Rico; (6) any security issued by a REIT; and (7) any other arrangement that, as determined by the Secretary of the Treasury, is excepted from the definition of security ("10% Value Excluded Securities"). If a REIT, or its taxable REIT subsidiary, holds (1) straight debt securities of a corporate or partnership issuer and (2) securities of such issuer that are not 10% Value Excluded Securities and have an aggregate value greater than 1% of such issuer's outstanding securities, the straight debt securities will be included in the 10% value test.

A REIT's interest as a partner in a partnership is not treated as a security for purposes of applying the 10% value test to securities issued by the partnership. Further, any debt instrument issued by a partnership that is not a 10% Value Excluded Security will not be a security for purposes of applying the 10% value test (1) to the extent of the REIT's interest as a partner in the partnership or (2) if at least 75% of the partnership's gross income (excluding gross income from prohibited transactions) would qualify for the 75% gross income test. For purposes of the 10% value test, a REIT's interest in a partnership's assets is determined by the REIT's proportionate interest in any securities issued by the partnership (other than the excluded securities described in the preceding paragraph).

If a REIT or its "qualified business unit" uses a non-U.S. currency as its functional currency, the term "cash" includes such non-U.S. currency, but only to the extent such non-U.S. currency is (i) held for use in the normal course of the activities of the REIT or "qualified business unit" which give rise to items of income or gain that are included in the 95% and 75% gross income tests or are directly related to acquiring or holding assets qualifying under the 75% asset test, and (ii) not held in connection with dealing or engaging in substantial and regular trading in securities.

With respect to corrections of failures as to violations of the 10% vote test, the 10% value test or the 5% asset test, a REIT may avoid disqualification as a REIT by disposing of sufficient assets to cure a violation due to the ownership of assets that do not exceed the lesser of 1% of the REIT's assets at the end of the relevant quarter or \$10,000,000, provided that the disposition occurs within six months following the last day of the quarter in which the REIT first identified the violation. For violations of any of the REIT asset tests due to reasonable cause and not willful neglect that exceed the thresholds described in the preceding sentence, a REIT can avoid disqualification as a REIT after the close of a taxable quarter by taking certain steps, including disposition of sufficient assets within the six month period described above to meet the applicable asset test, paying a tax equal to the greater of \$50,000 or the highest corporate tax rate multiplied by the net income generated by the non-qualifying assets during the period of time that the assets were held as non-qualifying assets and filing a schedule with the Internal Revenue Service ("IRS") that describes the non-qualifying assets.

Investments in Taxable REIT Subsidiaries REITs may own more than 10% of the voting power and value of securities in taxable REIT subsidiaries. Unlike a qualified REIT subsidiary, other disregarded entity or partnership, the income and assets of a taxable REIT subsidiary are not attributable to the REIT for purposes of satisfying the income and asset ownership requirements applicable to REIT qualification. Except as noted below with respect to a corporate entity that operates a health care or lodging facility, we and any taxable corporate entity in which we own an interest, directly or indirectly, are allowed to jointly elect to treat such entity as a “taxable REIT subsidiary.”

Certain of our subsidiaries have elected or will elect taxable REIT subsidiary status. Taxable REIT subsidiaries are subject to full corporate level U.S. federal taxation on their earnings but are permitted to engage in certain types of activities that cannot be performed directly by REITs without jeopardizing the REIT status of their parent REIT. The taxes to which our taxable REIT subsidiaries are subject will reduce the cash available for such taxable REIT subsidiaries to distribute as dividends to us.

The IRS may redetermine amounts from transactions between a REIT and its taxable REIT subsidiary where there is a lack of arm’s-length dealing between the parties. Any taxable income allocated to, or deductible expenses allocated away, from a taxable REIT subsidiary would increase its tax liability. Further, redetermined amounts from certain transactions involving a REIT and its taxable REIT subsidiaries could be subject to a 100% tax if not conducted on an arm’s length basis.

A taxable REIT subsidiary does not include any corporation that directly or indirectly operates or manages a lodging facility or a health care facility unless such facility is operated on behalf of such subsidiary by a person that is an independent contractor and certain other requirements are met. The failure of a subsidiary of ours to qualify as a taxable REIT subsidiary as a result of operating a lodging facility or a health care facility could have an adverse effect on the Company’s ability to comply with the REIT income and asset tests, and thus could impair the Company’s ability to qualify as a REIT unless the Company could avail itself of certain relief provisions under the Code and pay any tax resulting therefrom.

For tax years beginning after December 31, 2022, the Inflation Reduction Act of 2022 (“IRA”) imposes among other things, a 15% Corporate Alternative Minimum Tax (“Corporate AMT”) on certain U.S. corporations with average adjusted financial statement income in excess of \$1 billion. Although, by its terms, the Corporate AMT is not applicable to REITs, it is not certain whether or how the Corporate AMT would apply to our TRSs.

The IRS has issued several notices indicating its intention to propose regulations providing guidance regarding the Corporate AMT and issuing certain interim rules on which taxpayers may rely. Until further regulations and guidance from the IRS is released, the impact of the Corporate AMT on our TRSs is uncertain and it is possible that our taxable REIT subsidiaries will be subject to material U.S. federal income taxes under the Corporate AMT.

Investments in REIT Subsidiaries The Company, through Welltower OP, owns and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code (each, a “Subsidiary REIT”). A Subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to the Company. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax and (ii) the Subsidiary REIT’s failure to qualify could have an adverse effect on the Company’s ability to comply with the REIT income and asset tests, and thus could impair the Company’s ability to qualify as a REIT unless the Company could avail itself of certain relief provisions under the Code and pay any tax resulting therefrom.

Annual Distribution Requirements In order to avoid being taxed as a regular corporation, we are required to make distributions (other than capital gain distributions) to our stockholders which qualify for the dividends paid deduction in an amount at least equal to (1) the sum of (i) 90% of our “REIT taxable income” (computed without regard to the dividends paid deduction and our net capital gain) and (ii) 90% of the after-tax net income, if any, from foreclosure property, minus (2) a portion of certain items of non-cash income. These distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for that year and if paid on or before the first regular distribution payment after such declaration. Prior to 2014, with respect to all REITs, the amount distributed could not be preferential. This means that every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated otherwise than in accordance with its dividend rights as a class (the “preferential dividend rule”). The preferential dividend rule no longer applies to publicly offered REITs; however, the rule is still applicable to REITs which are not publicly offered, which would include several of our Subsidiary REITs. To the extent that we do not distribute all of our net capital gain or distribute at least 90%, but less than 100%, of our “REIT taxable income,” as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates. As discussed above, we may be subject to an excise tax if we fail to meet certain other distribution requirements. Although we intend to make timely distributions sufficient to satisfy these annual distribution requirements, economic, market, legal, tax or other factors could limit our ability to meet those requirements.

It is also possible that, from time to time, we may not have sufficient cash or other liquid assets to meet the 90% distribution requirement, or to distribute such greater amount as may be necessary to avoid income and excise taxation, due to, among other things, (1) timing differences between (i) cash receipts and cash expenditures and (ii) the inclusion of income and deduction of expenses in arriving at our taxable income, or (2) the payment of expenditures that may not be deductible to us. In the event that timing differences occur, we may find it necessary to arrange for borrowings or, if possible, pay dividends in the form of taxable stock dividends in order to meet the distribution requirement.

Under certain circumstances, including in the event of a deficiency determined by the IRS, we may be able to rectify a resulting failure to meet the distribution requirement for a year by paying “deficiency dividends” to stockholders in a later year, which may be included in our deduction for distributions paid for the earlier year. Thus, we may be able to avoid being disqualified as a REIT and/or taxed on amounts distributed as deficiency dividends; however, we will be required to pay applicable penalties and interest based upon the amount of any deduction taken for deficiency dividend distributions.

Failure to Qualify as a REIT If we fail to qualify for taxation as a REIT in any taxable year, we will be subject to U.S. federal income tax on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, we will not be required to distribute any amounts to our stockholders, and all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits and will not be eligible for the 20% deduction under Section 199A of the Code applicable to certain non-corporate shareholders, including individuals, prior to January 1, 2026. In such event, corporate stockholders may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. Unless entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances we would be entitled to statutory relief. Failure to qualify for even one year could result in our need to incur indebtedness or liquidate investments in order to pay potentially significant resulting tax liabilities.

In addition to the relief described above under “Income Tests” and “Asset Tests,” statutory relief is available in the event that we violate a provision of the Code that would result in our failure to qualify as a REIT if: (1) the violation is due to reasonable cause and not due to willful neglect; (2) we pay a penalty of \$50,000 for each failure to satisfy the provision; and (3) the violation does not include a violation described under “Income Tests” or “Asset Tests” above. It is not now possible to determine the circumstances under which we may be entitled to the benefit of these relief provisions.

Material U.S. Federal Income Tax Consequences to Holders of Our Stock and the Debt Securities of the Company and Welltower OP

The following discussion is a summary of the material U.S. federal income tax consequences to you of acquiring, owning and disposing of stock of the Company or debt securities of the Company or Welltower OP. This discussion is limited to holders who hold stock of the Company or debt securities of the Company or Welltower OP as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a holder’s particular circumstances, including the alternative minimum tax. In addition, except where specifically noted, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding stock or debt securities as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- REITs or regulated investment companies;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to stock or debt securities being taken into account in an applicable financial statement;
- persons deemed to sell stock or debt securities under the constructive sale provisions of the Code; and
- persons who hold or receive our stock pursuant to the exercise of any employee stock option or otherwise as compensation.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR STOCK OR DEBT SECURITIES ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS), UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of stock of the Company or debt securities of the Company or Welltower OP that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- an entity classified as a corporation for U.S. federal income tax purposes and created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a “non-U.S. holder” is any beneficial owner of our stock or debt securities that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds our stock or debt securities, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding stock of the Company or debt securities of the Company or Welltower OP and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Taxation of Taxable U.S. Holders of Our Stock

Distributions Generally Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See “Tax Rates” below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to the extent described in “Tax Rates” below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our stock are out of our current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock, if any, and then to our outstanding common stock.

To the extent that we make distributions on our stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder’s adjusted tax basis in such shares of stock. This treatment will reduce the U.S. holder’s adjusted tax basis in such shares of stock by such amount, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder’s adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

U.S. holders that receive taxable stock distributions, including distributions partially payable in our common stock and partially payable in cash, would be required to include the full amount of the distribution (i.e., the cash and the stock portion) as a dividend (subject to limited exceptions) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes, as described above. The amount of any distribution payable in our common stock generally is equal to the amount of cash that could have been received instead of the common stock. Depending on the circumstances of a U.S. holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the common stock it received in connection with a taxable stock distribution in order to pay this tax and the proceeds of such sale are less than the amount required to be included in income with respect to the stock portion of the distribution, such U.S. holder could have a capital loss with respect to the stock sale that could not be used to offset such income. A U.S. holder that receives common stock pursuant to such distribution generally has a tax basis in such common stock equal to the amount of cash that could have been received instead of such common stock as described above, and has a holding period in such common stock that begins on the day immediately following the payment date for the distribution.

Capital Gain Dividends Dividends that we properly designate as capital gain dividends will be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income.

Retention of Net Capital Gains We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for U.S. federal income tax purposes) would be adjusted accordingly, and a U.S. holder generally would:

- include its pro rata share of our undistributed capital gain in computing its long-term capital gains in its U.S. federal income tax return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it; and
- increase the adjusted tax basis of its stock by the difference between the amount of includable gains and the tax deemed to have been paid by it.

In addition, a U.S. holder that is a corporation is required to appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations. These Treasury Regulations have not yet been promulgated so the appropriate method for making such adjustment is unclear.

Passive Activity Losses and Investment Interest Limitations Distributions we make and gain arising from the sale or exchange of our stock by a U.S. holder will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder generally may elect to treat capital gain dividends, capital gains from the disposition of our stock and income designated as qualified dividend income, as described in "Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Stock Except as described below under "Redemption or Repurchase by Us," if a U.S. holder sells or disposes of shares of our stock, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition of the shares and the holder's adjusted tax basis in the shares. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such stock for more than one year. However, if a U.S. holder recognizes a loss upon the sale or other disposition of stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains. The deductibility of capital losses is subject to limitations.

Redemption or Repurchase by Us A redemption or repurchase of shares of our stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits as described above under "Distributions Generally") unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. The redemption or repurchase generally will be treated as a sale or exchange if it:

- is "substantially disproportionate" with respect to the U.S. holder,
- results in a "complete redemption" of the U.S. holder's stock interest in us, or
- is "not essentially equivalent to a dividend" with respect to the U.S. holder,

all within the meaning of Section 302(b) of the Code.

In determining whether any of these tests has been met, shares of our stock, including common stock and other equity interests in us, considered to be owned by the U.S. holder by reason of certain constructive ownership rules set forth in the Code, as well as shares of our stock actually owned by the U.S. holder, generally must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to the U.S. holder depends upon the facts and circumstances at the time that the determination must be made, U.S. holders are advised to consult their tax advisors to determine such tax treatment.

If a redemption or repurchase of shares of our stock is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "Distributions Generally." A U.S. holder's adjusted tax basis in the redeemed or repurchased shares generally will be transferred to the holder's remaining shares

of our stock, if any. If a U.S. holder owns no other shares of our stock, under certain circumstances, such basis may be transferred to a related person or it may be lost entirely. Prospective investors should consult their tax advisors regarding the U.S. federal income tax consequences of a redemption or repurchase of our stock.

If a redemption or repurchase of shares of our stock is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described under “Dispositions of Our Stock.”

Tax Rates Currently, the maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain “capital gain dividends,” generally is 20% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) “qualified dividend income” generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate applicable to qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT’s dividends are attributable to dividends received from taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by us as “capital gain dividends.” As mentioned above, U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026 for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Taxation of Tax-Exempt U.S. Holders of Our Stock

Dividend income from us and gain arising upon a sale of shares of our stock generally should not be unrelated business taxable income (“UBTI”) to a tax-exempt U.S. holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt U.S. holder holds its shares as “debt-financed property” within the meaning of the Code. Generally, “debt-financed property” is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt U.S. holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these “set aside” and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a “pension-held REIT” may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a “pension-held REIT” if it is able to satisfy the “not closely held” requirement without relying on the “look-through” exception with respect to certain trusts or if such REIT is not “predominantly held” by “qualified trusts.” As a result of restrictions on ownership and transfer of our stock contained in our charter, we do not expect to be classified as a “pension-held REIT,” and as a result, the tax treatment described above should be inapplicable to our holders. However, because our common stock is (and, we anticipate, will continue to be) publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Holders of Our Stock

The following discussion addresses the rules governing U.S. federal income taxation of the acquisition, ownership and disposition of our stock by non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other U.S. federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the acquisition, ownership and disposition of shares of our stock, including any reporting requirements.

Distributions Generally Distributions (including any taxable stock distributions) that are neither attributable to gains from sales or exchanges by us of United States real property interests (“USRPIs”) nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such

dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted tax basis of the holder's stock, but rather will reduce the adjusted tax basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted tax basis in such stock, they generally will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. However, such excess distributions may be treated as dividend income for certain non-U.S. holders. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in our stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. We also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. Furthermore, distributions to "qualified foreign pension funds" or entities all of the interests of which are held by "qualified pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Retention of Net Capital Gains Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our stock should be treated with respect to non-U.S. holders as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. holders should consult their tax advisors regarding the taxation of such retained net capital gain.

Sale of Our Stock Except as described below under “Redemption or Repurchase by Us,” gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our stock generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that is a “United States real property holding corporation,” or USRPHC, will constitute a USRPI. We believe that we are a USRPHC. Our stock will not, however, constitute a USRPI so long as we are a “domestically controlled qualified investment entity.” A “domestically controlled qualified investment entity” includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly or indirectly by non-United States persons, subject to certain rules. For purposes of determining whether a REIT is a “domestically controlled qualified investment entity,” a person who at all applicable times holds less than 5% of a class of stock that is “regularly traded” is treated as a United States person unless the REIT has actual knowledge that such person is not a United States person. Because our common stock is (and, we anticipate, will continue to be) publicly traded, no assurance can be given that we are or will continue to be a “domestically controlled qualified investment entity.”

Even if we do not qualify as a “domestically controlled qualified investment entity” at the time a non-U.S. holder sells our stock, gain realized from the sale or other taxable disposition by a non-U.S. holder of such stock would not be subject to U.S. federal income tax under FIRPTA as a sale of a USRPI if:

- (1) such class of stock is “regularly traded,” as defined by applicable Treasury Regulations, on an established securities market such as the New York Stock Exchange; and
- (2) such non-U.S. holder owned, actually and constructively, 10% or less of such class of stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder’s holding period.

In addition, dispositions of our stock by “qualified foreign pension funds” or entities all of the interests of which are held by “qualified foreign pension funds” are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder’s capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless such class of stock is “regularly traded” and the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution described in clause (1).

If gain on the sale, exchange or other taxable disposition of our stock were subject to taxation under FIRPTA or otherwise as a result of being effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our stock were subject to taxation under FIRPTA, and if shares of the applicable class of our stock were not “regularly traded” on an established securities market, the purchaser of such stock generally would be required to withhold and remit to the IRS 15% of the purchase price.

Redemption or Repurchase by Us A redemption or repurchase of shares of our stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits) unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. See “Redemption or Repurchase by Us” under “Taxation of Taxable U.S. Holders of Our Stock” above. Qualified shareholders and their owners may be subject to different rules, and should consult their tax advisors regarding the application of such rules. If the redemption or repurchase of shares is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See “Distributions Generally” above. If the redemption or repurchase of shares is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described above under “Sale of Our Stock.”

Taxation of Holders of Debt Securities of the Company or Welltower OP

The following summary describes the material U.S. federal income tax consequences of acquiring, owning and disposing of debt securities of the Company or Welltower OP. This discussion assumes the debt securities will be issued with less than a statutory de minimis amount of original issue discount for U.S. federal income tax purposes. In addition, this discussion is limited to persons purchasing the debt securities for cash at original issue and at their original "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the debt securities is sold to the public for cash).

U.S. Holders

Payments of Interest. Interest on a debt security generally will be taxable to a U.S. holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition A U.S. holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a debt security. The amount of such gain or loss generally will be equal to the difference between the amount received for the debt security in cash or other property valued at fair market value (less amounts attributable to any accrued but unpaid interest, which will be taxable as interest to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the debt security. A U.S. holder's adjusted tax basis in a debt security generally will be equal to the amount the U.S. holder paid for the debt security. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder has held the debt security for more than one year at the time of such sale or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be taxable at reduced rates. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

Payments of Interest. Interest paid on a debt security to a non-U.S. holder that is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax or withholding, provided that:

- the non-U.S. holder does not, actually or constructively, own 10% or more of the total combined voting power of all classes of our voting stock or 10% or more of the profits or capital in Welltower OP;
- the non-U.S. holder is not a controlled foreign corporation related to us through actual or constructive stock ownership; and
- either (1) the non-U.S. holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the debt security on behalf of the non-U.S. holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the non-U.S. holder, has received from the non-U.S. holder a statement under penalties of perjury that such holder is not a United States person and provides the applicable withholding agent with a copy of such statement; or (3) the non-U.S. holder holds its debt security directly through a "qualified intermediary" (within the meaning of the applicable Treasury Regulations) and certain conditions are satisfied.

If a non-U.S. holder does not satisfy the requirements above, such non-U.S. holder will be subject to withholding tax of 30%, subject to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the non-U.S. holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established.

If interest paid to a non-U.S. holder is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such interest is attributable), the non-U.S. holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a debt security is not subject to withholding tax because it is effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States.

Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular rates. A non-U.S. holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition A non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a debt security (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above in "Payments of Interest") unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable); or
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of a debt security, which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

U.S. Holders A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on stock of the Company or debt securities of the Company or Welltower OP or proceeds from the sale or other taxable disposition of such stock or debt securities (including a redemption or retirement of a debt security). Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders Payments of dividends on stock of the Company or interest on debt securities of the Company or Welltower OP generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on stock of the Company or interest on debt securities of the Company or Welltower OP paid to the non-U.S. holder, regardless of whether such distributions constitute a dividend or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of such stock or debt securities (including a retirement or redemption of a debt security) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of such stock or debt securities conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock, interest on debt obligations, and capital gains from the sale or other disposition of stock or debt obligations, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our stock or debt securities.

Additional Withholding Tax on Payments Made to Non-U.S. Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act ("FATCA")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on stock of the Company, interest on debt securities of the Company or Welltower OP, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on stock of the Company or interest on debt securities of the Company or Welltower OP. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock or debt securities on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend.

Non-U.S. holders should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in stock of the Company or debt securities of the Company or Welltower OP.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding U.S. federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any U.S. federal tax other than income tax. You should consult your tax advisor regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our stock or debt securities.

In addition, the tax laws and regulations in non-U.S. jurisdictions may impose costs and expenses on the Company, its subsidiaries, and assets and investments of the Company held in non-U.S. jurisdictions (including the costs of compliance with and filings under applicable laws, rules and regulations). The Company has substantial assets, and will likely be subject to tax, reporting, legal, regulatory, and other obligations, in the U.K. and Canada. The treatment of an entity for U.S. federal income tax purposes may not be determinative of its treatment for certain state, local, or non-U.S. tax purposes.

Tax Aspects of Our Investments in Welltower OP and Subsidiary Partnerships

The following discussion summarizes certain U.S. federal income tax considerations applicable to our direct or indirect investments in subsidiary partnerships (including Welltower OP).

Classification as Partnerships We are required to include in our income our distributive share of Welltower OP's and Subsidiary Partnerships' income and are entitled to deduct our distributive share of Welltower OP's and Subsidiary Partnerships' losses only if the applicable partnership is classified for U.S. federal income tax purposes as a partnership rather than as a corporation or association taxable as a corporation. An organization will be classified as a partnership, rather than as a corporation, for U.S. federal income tax purposes if it (1) is treated as a partnership under Treasury regulations relating to entity classification (the "check-the-box regulations") and (2) is not a "publicly traded partnership" taxable as a corporation.

Under the check-the-box regulations, an unincorporated entity with at least two members may elect to be classified either as an association taxable as a corporation or as a partnership. Generally, if such an entity fails to make an election, it generally will be treated as a partnership for U.S. federal income tax purposes. We believe that Welltower OP is classified as a partnership for U.S. federal income tax purposes.

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof). While interests in Welltower OP and Subsidiary Partnerships will not be traded on an established securities market, they could possibly be deemed to be traded on a secondary market or its equivalent due to the redemption rights enabling the limited members to dispose of their interests. A publicly traded partnership will not, however, be treated as a corporation for any taxable year if 90% or more of the partnership's gross income for such year consists of certain passive-type income, including (as may be relevant here) real property rents, gains from the sale or other disposition of real property, interest, and dividends (the "90% Passive Income Exception"). The income requirements applicable to us in order for us to qualify as a REIT under the Code and the definition of qualifying income under the Passive Income Exception are very similar. Although differences exist between these two income tests, we do not believe that these differences would cause Welltower OP or Subsidiary Partnerships not to satisfy the 90% Passive Income Exception applicable to publicly traded partnerships.

If for any reason Welltower OP or a Subsidiary Partnership were taxable as a corporation, rather than as a partnership, for U.S. federal income tax purposes, our ability to qualify as a REIT could be jeopardized. See "Income Tests" and "Asset Tests." In addition, any change in Welltower OP's or a Subsidiary Partnership's status for tax purposes might be treated as a taxable event, in which case we might incur tax liability without any related cash distribution. See "Annual Distribution Requirements." Further, items of income and deduction of Welltower OP or a Subsidiary Partnership would not pass through to its members, and its members would be treated as shareholders for tax purposes. Consequently, Welltower OP or a Subsidiary Partnership would be required to pay income tax at corporate tax rates on its net income, and distributions to its members would constitute dividends that would not be deductible in computing such Welltower OP's or Subsidiary Partnership's taxable income.

Members, Not Partnership, Subject to Tax Except as discussed below in "Revised Partnership Audit Rules," a partnership itself is not a taxable entity for U.S. federal income tax purposes. Rather, we are required to take into account our allocable share of each partnership's income, gains, losses, deductions and credits for any taxable year of the partnership ending during our taxable year, without regard to whether we have received or will receive any distribution from such partnership.

Partnership Allocations Although a partnership agreement generally will determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Code and the Treasury regulations promulgated thereunder. If an allocation is not recognized for U.S. federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by considering all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Welltower OP's and each Subsidiary Partnerships' allocations of taxable income, gain and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury regulations promulgated thereunder.

Tax Allocations with Respect to Certain Properties Pursuant to Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss is generally equal to the difference between the fair market value of contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution (a "Book-Tax Difference"). Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. Welltower OP's partnership agreement requires such allocations to be made in a manner permitted under Section 704(c) of the Code.

In general, the members who contribute property to Welltower OP will be allocated depreciation deductions for tax purposes which are lower than such deductions would be if determined on a pro rata basis. In addition, in the event of the disposition of any of the contributed assets (including our properties) which have a Book-Tax Difference, all gain or loss attributable to such Book-Tax Difference (to the extent not previously taken into account) will generally be allocated to the contributing members, including us, and other members will generally be allocated only their share of income attributable to gain or loss, if any, occurring after such contribution. This will tend to eliminate the Book-Tax Difference over the life of Welltower OP. However, the special allocation rules of Section 704(c) do not always entirely eliminate the Book-Tax Difference on an annual basis or with respect to a specific taxable transaction such as a sale. Thus, the carryover basis of the contributed assets in the hands of Welltower OP may cause us to be allocated lower depreciation and other deductions, and possibly an amount of taxable gain in the event of a sale of such contributed assets in excess of the economic or book income allocated to us as a result of such sale.

A Book-Tax Difference may also arise as a result of the revaluation of property owned by a partnership in connection with certain types of transactions, including in connection with certain non-pro rata contributions of assets to, or distributions of assets by, Welltower OP in exchange for, or in redemption of, interests in Welltower OP. In the event of such a revaluation, the members (including us) who were members in the partnership immediately prior to the revaluation will be required to take any Book-Tax Difference created as a result of such revaluation into account in substantially the same manner as under the Section 704(c) rules discussed above. This would result in us being allocated income, gain, loss and deduction for tax purposes in amounts different than the economic or book income allocated to us by the partnership.

The application of Section 704(c) to Welltower OP may cause us to recognize taxable income in excess of cash proceeds, which might adversely affect our ability to comply with the REIT distribution requirements. See “Annual Distribution Requirements.” The foregoing principles also apply in determining our earnings and profits for purposes of determining the portion of distributions taxable as dividend income. The application of these rules over time may result in a higher portion of distributions being taxed as dividends than would have occurred had we purchased the contributed or revalued assets at their agreed values.

The IRS has issued regulations requiring partnerships to use a “reasonable method” for allocating items affected by Section 704(c) of the Code and outlining several reasonable allocation methods. We have the discretion to determine which of the methods of accounting for Book-Tax Differences (specifically approved in the Treasury regulations) will be elected with respect to any properties contributed to or revalued by Welltower OP. We have not determined which method of accounting for Book-Tax Differences will be elected for properties contributed to or revalued by Welltower OP in the future.

Basis in Partnership Interest Our adjusted tax basis in a partnership interest generally is equal to:

- the amount of cash and the adjusted tax basis of any other property contributed (or deemed contributed) by us to the partnership,
- increased by our allocable share of the partnership’s income, and
- reduced, but not below zero, by
 - our allocable share of the partnership’s loss, and
 - the amount of cash and the basis of any property distributed (or deemed distributed) to us.

If the allocation of our distributive share of the partnership’s loss would reduce the adjusted tax basis of our partnership interest in the partnership below zero, the recognition of such loss will be deferred until such time as the recognition of such loss would not reduce our adjusted tax basis below zero. To the extent that the partnership’s distributions (including deemed distributions) would reduce our adjusted tax basis below zero, such distributions would constitute taxable gain to us, which could be treated as ordinary income or long-term or short-term capital gain.

Partnership Audit Rules A partnership (and not its partners) must pay any “imputed underpayments,” consisting of delinquent taxes, interest, and penalties deemed to arise out of an audit of the partnership, unless certain alternative methods are available and the partnership elects to utilize them. The IRS has issued regulations providing details on many of these provisions, but it is still not entirely clear how all of these rules will be implemented. Accordingly, it is possible that in the future, we and/or any partnership in which we are a partner could be subject to, or otherwise bear the economic burden of, U.S. federal income tax, interest, and penalties resulting from a U.S. federal income tax audit.

Internet Access to Our SEC Filings

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, as well as our proxy statements and other materials that are filed with, or furnished to, the Securities and Exchange Commission (“SEC”) are made available, free of charge, on the Internet at www.welltower.com/investors, as soon as reasonably practicable after they are filed with, or furnished to, the SEC. We routinely post important information on our website at www.welltower.com in the “Investors” section, including corporate and investor presentations and financial information. We intend to use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included on our website under the heading “Investors.” Accordingly, investors should monitor such portion of our website in addition to following our press releases, public conference calls, and filings with the SEC. The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K and the documents incorporated by reference contain statements that constitute “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995. When we use words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate” or similar expressions that do not relate solely to historical matters, we are making forward-looking statements. In particular, these forward-looking statements include, but are not limited to, those relating to our opportunities to acquire, develop or sell properties; our ability to close our

anticipated acquisitions, investments or dispositions on currently anticipated terms, or within currently anticipated timeframes; the expected performance of our operators/tenants and properties; our expected occupancy rates; our ability to declare and to make distributions to stockholders; our investment and financing opportunities and plans; our continued qualification as a REIT; and our ability to access capital markets or other sources of funds.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause our actual results to differ materially from our expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to:

- status of the economy;
- the status of capital markets, including availability and cost of capital;
- issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators'/tenants' difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance;
- changes in financing terms;
- competition within the health care and seniors housing industries;
- negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans;
- our ability to transition or sell properties with profitable results;
- the failure to make new investments or acquisitions as and when anticipated;
- natural disasters, health emergencies (such as the COVID-19 pandemic) and other acts of God affecting our properties;
- our ability to re-lease space at similar rates as vacancies occur;
- our ability to timely reinvest sale proceeds at similar rates to assets sold;
- operator/tenant or joint venture partner bankruptcies or insolvencies;
- the cooperation of joint venture partners;
- government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements;
- liability or contract claims by or against operators/tenants;
- unanticipated difficulties and/or expenditures relating to future investments or acquisitions;
- environmental laws affecting our properties;
- changes in rules or practices governing our financial reporting;
- the movement of U.S. and foreign currency exchange rates;
- our ability to maintain our qualification as a REIT;
- key management personnel recruitment and retention; and
- the risks described under "Item 1A — Risk Factors."

We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Item 1A. Risk Factors

Risk Factor Summary

The following summarizes the principal factors that make an investment in our company speculative or risky, all of which are more fully described in the Risk Factors section below. This summary should be read in conjunction with the Risk Factors section and should not be relied upon as an exhaustive summary of the material risks facing our business. The order of presentation is not necessarily indicative of the level of risk that each factor poses to us.

Risks Arising from Our Business:

Our business model and the operations of our business involve risks, including those related to:

- investments in and acquisitions of health care and seniors housing properties;
- unknown liability exposure related to acquired properties;
- competition for acquisitions may result in increased prices;
- our joint venture partners;
- Seniors Housing Operating properties operational risks;
- our ability to terminate our management agreements with Seniors Housing Operating managers;
- operational and legal risks with respect to our properties managed in RIDEA structures;
- the ability of operators and tenants to make payments to us;
- the impacts of severe cold and flu seasons or other widespread illnesses on occupancy;
- the insolvency or bankruptcy of our tenants, operators, borrowers, managers and other obligors;
- our ability to timely reinvest our sale proceeds on terms acceptable to us;
- any adverse developments in the business or financial condition of Sunrise and Integra;
- any failure, inability or unwillingness by Integra to satisfy obligations under their agreements with us;
- ownership of property outside the U.S.;
- our ability to lease or sell properties on favorable terms;
- tenant, operator and manager insurance coverage;
- loss of properties owned through ground leases upon breach or termination of the ground leases;
- requirements of, or changes to governmental reimbursement programs, such as Medicare, Medicaid or government funding;
- controls imposed on certain of our tenants who provide health care services that are reimbursed by Medicare, Medicaid and other third-party payors to reduce admissions and length of stay;
- our operators' or tenants' failure to comply with federal, state, province, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards;
- development, redevelopment and construction;
- bank failures or other events affecting financial institutions;
- losses caused by severe weather conditions, natural disasters or the physical effects of climate change;
- costs incurred to remediate environmental contamination at our properties;
- our reliance on data and technology systems and the increasing risks of cybersecurity incidents;
- evolving privacy regulations;
- ESG-related commitments and expectations;
- our dependence on key personnel; and
- Welltower's holding company status.

Risks Arising from Our Capital Structure

Our capital structure involves exposure to risks, including those related to:

- our future leverage;
- the availability of cash for distributions to stockholders;
- covenants in our debt agreements;
- limitations on our ability to access capital;
- any downgrades in our credit ratings; and
- increases in interest rates.

Risks Arising from Our Status as a REIT

As a result of our status as a REIT, we are exposed to risks, including those related to:

- our ability to remain qualified as a REIT;
- Welltower OP's ability to maintain status of a partnership;
- the ability of our subsidiaries to qualify as a REIT;
- the impact of tax imposed on any net income from "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes;
- the impact of the 90% annual distribution requirement on our liquidity and ability to engage in otherwise beneficial transactions;
- our limited ability to use taxable REIT subsidiaries under the Code;
- special requirements applicable to the lease of qualified health care properties to a taxable REIT subsidiary;
- the tax imposed on any net income from "prohibited transactions";
- tax consequences if certain sale-leaseback transactions are not characterized by the IRS as "true leases";
- changes in our tax rate or exposure to additional tax liabilities; and
- the impact to our TRSs of the Corporate Alternative Minimum Tax imposed by the Inflation Reduction Act of 2022.

Risks Factors

This section highlights significant factors, events and uncertainties that could create risk with an investment in our securities. The events and consequences discussed in these risk factors could, in circumstances we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, growth, reputation, prospects, financial condition, operating results, cash flows, liquidity, ability to pay dividends and stock price. These risk factors do not identify all risks that we face: our operations could also be affected by factors, events or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations. We group these risk factors into three categories:

- Risks arising from our business;
- Risks arising from our capital structure; and
- Risks arising from our status as a REIT.

Risks Arising from Our Business

Our investments in and acquisitions of health care and seniors housing properties may be unsuccessful or fail to meet our expectations

Some of our acquisitions may not prove to be successful. We could encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities, and acquired properties might require significant management attention that would otherwise be devoted to our ongoing business. If we agree to provide construction funding to an operator/tenant and the project is not completed, we may need to take steps to ensure completion of the project. Such expenditures may negatively affect our results of operations. Investments in and acquisitions of seniors housing and health care properties entail risks associated with real estate investments generally, including risks that the investment will not achieve expected returns, that the cost estimates for necessary property improvements will prove inaccurate or that the tenant, operator or manager will fail to meet performance expectations. Furthermore, there can be no assurance that our anticipated acquisitions and investments, the completion of which is subject to various conditions, will be consummated in accordance with anticipated timing, on anticipated terms, or at all. We may be unable to obtain or assume financing for acquisitions on favorable terms or at all. Health care properties are often highly customizable, and the development or redevelopment of such properties may require costly tenant-specific improvements. The actual costs of development or redevelopment may be greater than our estimates. We have experienced delays and disruptions to property redevelopment as a result of supply chain issues and construction material and labor shortages and may experience additional or more significant such delays in the future. We also may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and this could have an adverse effect on our results of operations and financial condition. Acquired properties may be located in new markets, either within or outside the United States, where we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area, costs associated with opening a new regional office and unfamiliarity with local governmental and permitting procedures. These risks may be exacerbated by the volume and complexity of such activity, as well as geopolitical tension or instability, inflationary pressures, interest rate fluctuations and supply chain disruptions. As a result, we cannot assure you that we will achieve the economic benefit we expect from acquisitions, investment, development and redevelopment opportunities and may lead to impairment of such assets.

Acquired properties may expose us to unknown liability

We may acquire properties or invest in joint ventures that own properties subject to liabilities and without any recourse, or with only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it, which could adversely affect our results of operations and cash flow. Unknown liabilities with respect to acquired properties might include: liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors and others indemnified by the former owners of the properties.

Competition for acquisitions may result in increased prices for properties

In order to maintain current revenues and continue generating attractive returns, we seek to reinvest cash available from the proceeds of sales of our securities, principal payments on our loans receivable or the sale of properties, including non-elective dispositions in a timely manner. We face competition for acquisition opportunities from other well-capitalized investors, including publicly traded and privately held REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, sovereign wealth funds, pension trusts, partnerships and individual investors. In addition, limited development during the COVID-19 pandemic has reduced the number of new properties becoming available. This competition may adversely affect us by subjecting us to the following risks: we may be unable to acquire a desired property because of competition from other well-capitalized real estate investors and, even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price.

Our investments in joint ventures could be adversely affected by our lack of exclusive control over these investments, our partners' insolvency or failure to meet their obligations, and disputes between us and our partners

We have entered into, and may continue in the future to enter into, partnerships or joint ventures with other persons or entities. Joint venture investments involve risks that may not be present with other methods of ownership, including the possibility that our partner might become insolvent, refuse to make capital contributions when due or otherwise fail to meet its obligations, which may result in certain liabilities to us for guarantees and other commitments; that our partner might at any time have economic or other business interests or goals that are or become inconsistent with our interests or goals; that we could become engaged in a dispute with our partner, which could require us to expend additional resources to resolve such dispute and could have an adverse impact on the operations and profitability of the joint venture; that our partner may be in a position to take action or withhold consent contrary to our instructions or requests; and that our joint venture partners may be structured differently than us for tax purposes, which could create conflicts of interest and risks to our REIT status. In some instances, we and/or our partner may have the right to trigger a buy-sell, put right or forced sale arrangement, which could cause us to sell our interest, acquire our partner's interest or sell the underlying asset at a time when we otherwise would not have initiated such a transaction. Our ability to acquire our partner's interest may be limited if we do not have sufficient cash, available borrowing capacity or other capital resources. In such event, we may be forced to sell our interest in the joint venture when we would otherwise prefer to retain it. On the other hand, our ability to transfer our interest in a joint venture to a third party may be restricted and the market for our interest may be limited and/or valued lower than fair market value. Joint ventures may require us to share decision-making authority with our partners, which could limit our ability to control the properties in the joint ventures. Even when we have a controlling interest, certain major decisions may require partner approval, such as the sale, acquisition or financing of a property.

We assume operational and legal risks with respect to our properties managed in RIDEA structures that could have a material adverse effect on our business, results of operations and financial condition

We have entered into various joint ventures that were structured under the provisions of RIDEA, which permits REITs to own or partially own "qualified health care properties" in a structure through which we can participate directly in the cash flow of the properties' operations (as compared to receiving only contractual rent payments) in compliance with REIT requirements. A "qualified health care property" includes real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients.

Under a RIDEA structure, we are required to rely on our operator to manage and operate the property, including complying with laws and providing resident care. However, as the owner of the property under a RIDEA structure, we are responsible for operational and legal risks and liabilities of the property, including, those relating to employment matters of our operators, compliance with health care fraud and abuse and other laws, governmental reimbursement matters, data privacy and security laws, compliance with federal, state, local and industry-related licensure, certification and inspection laws, regulations, and standards, and litigation involving our properties or residents/patients, even though we have limited ability to control or influence our operators' management of these risks. Further, our taxable REIT subsidiary ("TRS") is generally required to hold the applicable health care license and enroll in the applicable government health care programs (e.g., Medicare and Medicaid), which subjects us to potential liability under various health care laws. Penalties for failure to comply with applicable laws may include loss or suspension of licenses and certificates of need, certification or accreditation, exclusion from government health care programs (e.g., Medicare and Medicaid), administrative sanctions and civil monetary penalties. Although we have some general oversight approval rights and the right to review operational and financial reporting information, our operators are

ultimately in control of the day-to-day business of the property, including clinical decision-making, and we rely on them to operate the properties in a manner that complies with applicable law.

We are exposed to operational risks with respect to our Seniors Housing Operating properties that could adversely affect our revenue and operations

We are exposed to various operational risks with respect to our Seniors Housing Operating properties that may increase our costs or adversely affect our ability to generate revenues. These risks include fluctuations in occupancy experienced during the normal course of business, Medicare and Medicaid reimbursement, if applicable, and private pay rates; economic conditions; the availability and increases in the cost of labor (as a result of unionization or otherwise); competition; federal, state, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards; the availability and increases in cost of general and professional liability insurance coverage; increases in property taxes; state regulation and rights of residents related to entrance fees; and federal and state housing laws and regulations. Any one or a combination of these factors may adversely affect our revenue and operations and could eventually lead to impairment of our properties.

We have rights to terminate our management agreements with operators, in whole or with respect to specific properties under certain circumstances, and we may be unable to replace operators if our management agreements are terminated or not renewed

We are party to long-term management agreements with our Seniors Housing Operating managers pursuant to which they provide comprehensive property management, accounting and other services with respect to our Seniors Housing Operating properties. We have the ability to terminate any of our management agreements upon the occurrence of certain events such as insolvency relating to such manager, and in some cases, upon the failure to meet specific NOI targets without curing (to the extent there is an ability to cure). In addition, many of our management agreements are terminable by us for no cause upon a reasonable notice period and in some cases, upon payment of a termination fee.

We regularly monitor and review our rights and remedies under our management agreements. When determining if we will take significant action under those agreements, including terminating a manager, we consider numerous legal, contractual, regulatory, business and other relevant factors. In exercising our rights to terminate or not renew a management agreement, we would work with our existing seniors housing operators or potentially new operators to manage the properties; however, there is no assurance that we would be able to timely source a replacement or that any replacement manager would be effective. Any transition to a new manager would most likely require regulatory approval and potentially the approval of the holders of any liens on the property. The failure to replace on a timely basis, as well as the failure to receive these approvals, either at all or in a timely manner, could have an adverse effect on the properties and our revenue.

Decreases in our operators' or tenants' revenues or increases in our operators' or tenants' expenses, including as a result of increased labor costs, could affect their ability to make payments to us

We have very limited control over the success or failure of our operators' or tenants' businesses and, at any time, an operator or tenant may experience a downturn in their business that weakens their financial condition. Our operators' and tenants' revenues are primarily driven by occupancy, private pay rates, and Medicare and Medicaid reimbursement, if applicable. Expenses are primarily driven by the costs of labor, supplies, food, utilities, taxes, insurance and rent or debt service. Revenues from government reimbursement have, and may continue to, come under pressure due to reimbursement cuts and state budget shortfalls. Operating and borrowing costs have increased, and are expected to continue to increase, for our operators and tenants. In particular, our operators' and tenants' businesses have experienced increases in labor costs resulting from shortages of medical and non-medical staff. A number of factors have adversely affected the labor force available to our operators and tenants or labor costs, including increased industry competition, high employment levels, increased wages offered by other employers, and government regulations. In many geographic areas the scarcity of specialized medical personnel, experienced senior care professionals and other workers has been a significant operating issue affecting a wide range of healthcare providers and senior care and housing facilities. Such shortages have and may continue to impact the operations of our operators and tenants, resulting in increased labor and operating costs. Continued labor shortages or cost inflation may impact our operators' and tenants' abilities to comply with minimum staffing requirements under applicable federal and state regulations. Failure to comply with these requirements can, among other things, jeopardize a facility's compliance with the conditions of participation under relevant state and federal healthcare programs. In addition, if a facility is determined to be out of compliance with these requirements, it may be subject to fines and other regulatory penalties, including the suspension of patient admissions, the termination of Medicaid participation or the suspension or revocation of licenses.

To the extent that any decrease in revenues and/or any increase in operating expenses result in an operator or tenant not generating enough cash to make payments to us, the credit of our operator or tenant and the value of other collateral would have to be relied upon. To the extent the value of such property is reduced, we may need to record an impairment for such asset. Furthermore, if we determine to dispose of an underperforming property, such sale may result in a loss. Any such impairment or loss on sale would negatively affect our financial results. These risks are magnified where we lease multiple properties to a single operator or tenant under a master lease, as a failure or default under a master lease would expose us to these risks across multiple properties. Although our lease agreements give us the right to exercise certain remedies in the event of default on the obligations owing to us, we may determine not to do so if we believe that enforcement of our rights would be more detrimental to our business than seeking alternative approaches.

Increased competition and oversupply may affect our operators' and managers' ability to meet their obligations to us

The operators and managers of our properties compete on a local and regional basis with operators and managers of properties and other health care providers that provide comparable services for residents and patients, including on the basis of the scope and quality of care and services provided, reputation and financial condition, physical appearance of the properties, price, and location. In addition, in light of labor shortages for medical and non-medical workers in many geographic areas, our operators and tenants increasingly compete to attract qualified and experienced employees. Our operators and managers are expected to encounter increased competition in the future that could limit their ability to attract residents and employees or expand their businesses. In addition, we expect that there will continue to be a more than adequate inventory of seniors housing facilities. We cannot be certain that the operators of all of our facilities will be able to achieve and maintain occupancy and rate levels that meet our expected yields and fulfill their obligations to us. If our operators and managers cannot compete effectively or if there is an oversupply of facilities, their financial performance could have a material adverse effect on our financial results.

A severe cold and flu season, epidemics or any other widespread illnesses could adversely affect the occupancy of our Seniors Housing Operating and Triple-net properties

Our business and operations are exposed to risks from COVID-19, severe cold and flu seasons or the occurrence of other epidemics, pandemics or other widespread illnesses. Our revenues and our operators' revenues are dependent on occupancy and the occupancy of our Seniors Housing Operating and Triple-net properties could significantly decrease in the event of a severe cold and flu season, a resurgence of COVID-19 or other epidemics, pandemics, widespread illness or public health crises. Such a decrease would affect the operating income of our Seniors Housing Operating properties and the ability of our Triple-net operators to make payments to us. As we experienced during the COVID-19 pandemic, a future flu or other pandemic could significantly increase the cost burdens faced by our operators, including if they are required to implement quarantines for residents or see a reduction in occupancy, and adversely affect their ability to meet their obligations to us, which would have a material adverse effect on our financial results.

The impacts of such events could be severe and far-reaching, and may impact our operations in several ways, including: (i) operators and tenants could experience deteriorating financial conditions and be unable or unwilling to pay payments to us on time and in full; (ii) we may have to restructure operators' or tenants' obligations and may not be able to do so on terms that are favorable to us; (iii) we may experience increased operational challenges and costs resulting from logistical challenges such as supply chain interruptions, business closures, restrictions on the movement of people and remote or hybrid work schedules, which introduce additional operational risks including cybersecurity risks; (iv) increased operational costs incurred by us and our operators across all of our properties as a result of public health measures and other regulations affecting our properties and operations, as well as additional health and safety measures adopted by us and our operators and tenants, unique pressures on seniors housing and medical practice employees during pandemics like the COVID-19 pandemic including labor shortages resulting from macroeconomic trends; and (v) costs of development including expenditures for materials utilized in construction and labor essential to complete existing developments in progress, may increase substantially.

The insolvency or bankruptcy of our tenants, operators, borrowers, managers and other obligors may adversely affect our business, results of operations and financial condition

We are exposed to the risk that our tenants, operators, borrowers, managers or other obligors may not be able to meet the rent, principal and interest or other payments due us, which may result in a tenant, operator, borrower, manager or other obligor bankruptcy or insolvency, or that a tenant, operator, borrower, manager or other obligor might become subject to bankruptcy or insolvency proceedings for other reasons. Although our operating lease agreements provide us with the right to evict a tenant, demand immediate payment of rent and exercise other remedies, and our loans provide us with the right to terminate any funding obligation, demand immediate repayment of principal and unpaid interest, foreclose on the collateral and exercise other remedies, the bankruptcy and insolvency laws afford certain rights to a party that has filed for bankruptcy or reorganization. A tenant, operator, borrower, manager or other obligor in bankruptcy or subject to insolvency proceedings may be able to limit or delay our ability to collect unpaid rent in the case of a lease or to receive unpaid principal and interest in the case of a loan, and to exercise other rights and remedies. In addition, if a lease is rejected in a tenant bankruptcy, our claim against the tenant may be limited by applicable provisions of the bankruptcy law. We may be required to fund certain expenses (e.g., real estate taxes and maintenance) to preserve the value of an investment property, avoid the imposition of liens on a property and/or transition a property to a new tenant. In some instances, we have terminated our lease with a tenant and relet the property to another tenant. In some of those situations, we have provided working capital loans to and limited indemnification of the new obligor. If we cannot transition a leased property to a new tenant, we may take possession of that property, which may expose us to certain successor liabilities. Publicity about the operator's financial condition and insolvency proceedings may also negatively impact their and our reputations, decreasing customer demand and revenues. Should such events occur, our revenue and operating cash flow may be adversely affected.

The properties managed by Sunrise account for a significant portion of our revenues and net operating income and any adverse developments in its business or financial condition could adversely affect us

As of December 31, 2023, Sunrise managed 88 of our Seniors Housing Operating properties. These properties account for a significant portion of our revenues and net operating income. Under our management agreements, we rely on Sunrise's personnel, expertise, technical resources and information systems, proprietary information, good faith and judgment to manage

our Seniors Housing Operating properties efficiently and effectively. We also rely on Sunrise to set appropriate resident fees, to provide accurate property-level financial results for our properties in a timely manner and to otherwise operate them in compliance with the terms of our management agreements and all applicable laws and regulations. Any adverse developments in Sunrise's business or financial condition could impair its ability to manage our properties efficiently and effectively, which could adversely affect our business, results of operations, and financial condition. For example, we depend on Sunrise's ability to attract and retain skilled management personnel who are responsible for the day-to-day operations of our Seniors Housing Operating properties. A shortage of nurses or other trained personnel or general inflationary pressures may force Sunrise to enhance its pay and benefits packages to compete effectively for such personnel, but it may not be able to offset these added costs by increasing the rates charged to residents. Any increase in labor costs and other property operating expenses, any failure by Sunrise to attract and retain qualified personnel, or significant changes in Sunrise's senior management or equity ownership could adversely affect the income we receive from our Seniors Housing Operating properties and have a material adverse effect on us. Also, if Sunrise experiences any significant financial, legal, accounting or regulatory difficulties, such difficulties could result in, among other things, acceleration of its indebtedness, impairment of its continued access to capital or the commencement of insolvency proceedings by or against it under the U.S. Bankruptcy Code, which, in turn, could adversely affect our business, results of operations and financial condition. If we determine to sell or transition properties currently managed by Sunrise, we may experience operational challenges and/or significantly declining financial performance for those properties.

We depend on Integra for a significant portion of our revenues and any failure, inability or unwillingness by them to satisfy obligations under their agreements with us could adversely affect us

As of December 31, 2023, we lease 147 properties to Integra under a triple-net master lease, which account for a significant portion of our revenues. Integra subleases these properties to various regional operators who manage the property operations. We depend on Integra to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with the leased properties. We cannot assure you that Integra will have sufficient assets, income and access to financing to enable them to make rental payments to us or to otherwise satisfy their respective obligations under our lease, and any failure, inability or unwillingness by Integra to do so could have an adverse effect on our business, results of operations and financial condition. Integra has also agreed to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with the facilities, and we cannot assure you that Integra will have sufficient assets, income, access to financing and insurance coverage to enable them to satisfy their respective indemnification obligations. Integra's failure to effectively oversee the operations of their subtenants or their obligation to maintain and improve our properties could adversely affect the subtenant operators' business reputations and the subtenant operators' ability to attract and retain patients and residents in our properties, which in turn, could adversely affect our business, results of operations and financial condition.

Ownership of property outside the U.S. may subject us to different or greater risks than those associated with our domestic operations

We have operations in the U.K. and Canada which represent 9.1% and 7.7% of total Welltower revenues, respectively. International development, ownership, and operating activities involve risks that are different from those we face with respect to our domestic properties and operations. These risks include, but are not limited to, any international currency gain or loss recognized with respect to changes in exchange rates, which may not qualify under the 75% gross income test or the 95% gross income test required for us to satisfy annually in order to qualify and maintain our status as a REIT; challenges with respect to the repatriation of foreign earnings and cash; impact from international trade disputes and the associated impact on our tenants' supply chain and consumer spending levels; changes in foreign political, regulatory, and economic conditions (regionally, nationally and locally) including, challenges in managing international operations; challenges of complying with a wide variety of foreign laws and regulations, including those relating to real estate, corporate governance, operations, taxes, employment and other civil and criminal legal proceedings; foreign ownership restrictions with respect to operations in foreign countries; local businesses and cultural factors that differ from our usual standards and practices; differences in lending practices and the willingness of domestic or foreign lenders to provide financing; regional or country-specific business cycles and political and economic instability; and failure to comply with applicable laws and regulations in the U.S. that affect foreign operations, including, but not limited to, the U.S. Foreign Corrupt Practices Act.

Further, our operations in the U.K. may be adversely impacted by global and local economic volatility experienced as a result of geopolitical tensions or conflicts, such as the ongoing conflict between Russia and Ukraine, rising inflation and interest rates, the energy crisis that has seen supply shortages and higher oil, gas and electricity prices, volatility in commodity prices, credit and capital markets, an increase in cybersecurity incidents, as well as labor market challenges affecting the recruitment and retention of employees.

If our tenants do not renew their existing leases, or if we are required to sell properties for liquidity reasons we may be unable to lease or sell the properties on favorable terms, or at all

We cannot predict whether our tenants will renew existing leases at the end of their lease terms, which expire at various times. If these leases are not renewed, we would be required to find other tenants to occupy those properties, or sell them. There can be no assurance that we would be able to identify suitable replacement tenants or enter into leases with new tenants on terms as favorable to us as the current leases or that we would be able to lease those properties at all. Our competitors may offer

space at rental rates below current market rates or below the rental rates we currently charge our customers, we may lose potential customers, and we may be pressured to reduce our rental rates below those we currently charge to retain customers when leases expire. In addition, our ability to reposition our properties with a suitable replacement tenant or operator could be significantly delayed or limited by state licensing, receivership, CON or other laws, as well as by the Medicare and Medicaid change-of-ownership rules, and we could incur substantial additional expenses in connection with any licensing, receivership or change-of-ownership proceedings. Even if tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favorable to us than current lease terms.

Real estate investments are relatively illiquid and most of the property we own is highly customized for specific uses. Our ability to quickly sell or exchange any of our properties in response to changes in operator, economic and other conditions will be limited. Although our properties are less affected by the commercial real estate market trends, this limitation could be exacerbated by the current decline of commercial real estate as a result of high interest rates, inflation and declining property values across sectors. No assurances can be given that we will recognize full value for any property that we are required to sell. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations. In addition, we are exposed to the risks inherent in concentrating investments in real estate, and in particular, the seniors housing and health care industries. A downturn in the real estate industry could adversely affect the value of our properties and our ability to sell properties for a price or on terms acceptable to us.

Our tenants, operators and managers may not have the necessary insurance coverage to insure adequately against losses

We maintain or require our tenants, operators and managers to maintain comprehensive insurance coverage on our properties and their operations with terms, conditions, limits and deductibles that we believe are customary for similarly situated companies in our industry and we frequently review our insurance programs and requirements. Our tenants, operators and managers may not be able to maintain adequate levels of insurance and required coverages. Also, we may not be able to require the same levels of insurance coverage under our lease, management and other agreements, which could adversely affect us in the event of a significant uninsured loss. We cannot make any guarantee as to the future financial viability of the insurers that underwrite our policies and the policies maintained by our tenants, operators and managers. Insurance may not be available at a reasonable cost in the future or policies may not be maintained at a level that will fully cover all losses on our properties upon the occurrence of a catastrophic event. This may be especially the case due to increases in property insurance costs. In addition, in recent years, long-term/post-acute care and seniors housing operators and managers have experienced substantial increases in both the number and size of patient care liability claims. As a result, general and professional liability costs have increased in some markets. Finally, our use, and the usage by some of our tenants, operators and managers of self-insurance and/or use of a wholly owned captive insurance company, if not adequately funded, could have a material adverse effect on our liquidity and that of our tenants, operators and managers.

Our ownership of properties through ground leases exposes us to the loss of such properties upon breach or termination of the ground leases

We have acquired an interest in certain of our properties by acquiring a leasehold interest in the property on which the building is located, and we may acquire additional properties in the future through the purchase of interests in ground leases. Many of these ground leases impose significant limitations on our uses of the subject properties, restrict our ability to sell or otherwise transfer our interests in the properties or restrict the leasing of the properties. These restrictions may limit our ability to timely sell or exchange the properties, impair the properties' value or negatively impact our ability to find suitable tenants for the properties. As the lessee under a ground lease, we are exposed to the possibility of losing the property upon termination of the ground lease or an earlier breach of the ground lease by us.

The requirements of, or changes to, governmental reimbursement programs, such as Medicare, Medicaid or government funding, could have a material adverse effect on our obligors' liquidity, financial condition and results of operations, which could adversely affect our obligors' ability to meet their obligations to us

Some of our obligors' businesses are affected by government reimbursement. To the extent that an operator/tenant receives a significant portion of its revenues from government payors, primarily Medicare and Medicaid, such revenues may be subject to statutory and regulatory changes, retroactive rate adjustments, recovery of program overpayments or set-offs, court decisions, administrative rulings, policy interpretations, payment or other delays by fiscal intermediaries or carriers, change-of-ownership rules, government funding restrictions (at a program level or with respect to specific facilities), any lapse in Congressional funding of the Centers for Medicare and Medicaid Services and interruption or delays in payments due to any ongoing government investigations and audits at such property. Federal and state authorities may continue seeking to implement new or modified reimbursement methodologies that may negatively impact health care property operations. See "Item 1 - Business - Certain Government Regulations - United States - Reimbursement" above for additional information. Health care reimbursement will likely continue to be of paramount importance to federal and state authorities. We cannot make any assessment as to the ultimate timing or effect any future legislative reforms may have on the financial condition of our obligors and properties. There can be no assurance that adequate reimbursement levels will be available for services provided by any property operator, whether the property receives reimbursement from Medicare, Medicaid or private payors. Significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on an obligor's liquidity, financial condition and results of operations, which could adversely affect the ability of an obligor to meet its

obligations to us. In addition, if a partial or total federal government shutdown were to occur for a prolonged period of time, federal government payment obligations, including its obligations under Medicaid and Medicare, may be delayed. Similarly, if state government shutdowns were to occur, state payment obligations may be delayed. If the federal or state governments fail to make payments under these programs on a timely basis, our business could suffer, and our financial position, results of operations or cash flows may be materially affected.

Since January 1, 2014, the Health Reform Laws have provided those states that expand their Medicaid coverage to otherwise ineligible state residents with incomes at or below 138% of the federal poverty level with an increased federal medical assistance percentage, effective January 1, 2014, when certain conditions are met. The federal government substantially funds the Medicaid expansion and as of December 2023, the number of states implementing expansion has grown to more than 80% of all states. The participation by states in the Medicaid expansion could have the dual effect of increasing our tenants' revenues, through new patients, but further straining state budgets and their ability to pay our tenants.

Health reform measures could be implemented as a result of political, legislative, regulatory, and administrative developments and judicial proceedings. Further the impact that the recent change of control of the House and future changes in the federal government may have on health reform (including through new legislative, executive or regulatory efforts) remains uncertain, and any changes will likely take time to unfold and could have an impact on coverage and reimbursement for health care items and services covered by plans that were authorized by the Health Reform Laws. If the operations, cash flows or financial condition of our operators and tenants are materially adversely impacted by the Health Reform Laws or future legislation, our revenue and operations may be adversely affected as well. More generally, and because of the dynamic nature of the legislative and regulatory environment for health care products and services, and in light of existing federal deficit and budgetary concerns, we cannot predict the impact that broad-based, far-reaching legislative or regulatory changes could have on the U.S. economy, our business, or that of our operators and tenants.

If controls imposed on certain of our tenants who provide health care services that are reimbursed by Medicare, Medicaid and other third-party payors to reduce admissions and length of stay affect inpatient volumes at our health care facilities, the financial condition or results of operations of those tenants could be adversely affected

Controls imposed by Medicare, Medicaid and commercial third-party payors designed to reduce admissions and lengths of stay, commonly referred to as "utilization reviews," have affected and are expected to continue to affect certain of our health care facilities, specifically our acute care hospitals and post-acute facilities. Utilization review entails the review of the admission and course of treatment of a patient by managed care plans. Inpatient utilization, average lengths of stay and occupancy rates continue to be negatively affected by payor-required pre-admission authorization and utilization review and by payor pressures to maximize outpatient and alternative health care delivery services for less acutely ill patients. Efforts to impose more stringent cost controls and reductions are expected to continue, which could negatively impact the financial condition of our tenants who provide health care services in our hospitals and post-acute facilities. If so, this could adversely affect these tenants' ability and willingness to comply with the terms of their leases with us and/or renew those leases upon expiration, which could have a material adverse effect on us.

Our operators' or tenants' failure to comply with federal, state, province, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards could adversely affect such operators' or tenants' operations, which could adversely affect our operators' and tenants' ability to meet their obligations to us

Our operators and tenants generally are subject to or impacted by varying levels of federal, state, local, and industry-regulated licensure, certification and inspection laws, regulations, and standards. These laws and regulations include, among others: laws protecting consumers against deceptive practices; laws relating to the operation of our facilities and how our tenants and operators conduct their business, such as fire, health and safety, data security and privacy laws; federal and state laws affecting hospitals, clinics and other health care communities that participate in both Medicare and Medicaid that specify reimbursement rates, pricing, reimbursement procedures and limitations, quality of services and care, background checks, food service and physical plants, and similar foreign laws regulating the health care industry; resident rights laws (including abuse and neglect laws) and fraud laws; anti-kickback and physician referral laws; the Americans with Disabilities Act of 1990 and similar state and local laws; and safety and health standards set by the Occupational Safety and Health Administration or similar foreign agencies. Our operators' or tenants' failure to comply with any of these laws, regulations, or standards could result in loss of accreditation, denial of reimbursement, imposition of fines, suspension, decertification or exclusion from federal and state health care programs, civil liability, and in certain limited instances, criminal penalties, material restrictions on or loss of license, closure of the facility and/or the incurrence of considerable costs arising from an investigation or regulatory action. Such actions may have an effect on our operators' or tenants' ability to make lease payments to us and, therefore, adversely impact us. In addition, we may be directly subject to these laws, regulations and standards, as well as potential investigation or enforcement and liability, as a result of our RIDEA-structured arrangements, and certain other arrangements we may pursue with healthcare entities who are directly subject to these laws. See "Item 1 - Business - Certain Government Regulations - United States - Fraud & Abuse Enforcement" and "Item 1 - Business - Certain Government Regulations - United States - Health Care Matters - Generally" above.

Many of our properties may require a license, registration, and/or CON to operate. Failure to obtain a license, registration, or CON, or loss of a required license, registration, or CON would prevent a facility from operating in the manner intended by the operators or tenants. These events could materially adversely affect our operators' or tenants' ability to make a profit or our

operators' or tenants' ability to make rent or other obligatory payments to us. State and local laws also may regulate the expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction or renovation of health care facilities, by requiring a CON or other similar approval from a state agency. See "Item 1 — Business — Certain Government Regulations — United States — Licensing and Certification" above.

In addition, we cannot assure you that future changes in government regulation will not adversely affect the health care industry, including our tenants and operators, nor can we be certain that our tenants and operators will achieve and maintain occupancy and rate levels or labor cost levels that will enable them to satisfy their obligations to us.

Unfavorable resolution of pending and future litigation matters and disputes could have a material adverse effect on our financial condition

From time to time, we are directly involved or named as a party in legal proceedings, lawsuits and other claims that involve class actions, disputes regarding property damage, care matters and other issues. We also are named as defendants in lawsuits allegedly arising out of our actions or the actions of our operators/tenants or managers in which such operators/tenants or managers have agreed to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with their respective businesses. Employment related class action lawsuits have increased in recent years, including class action lawsuits brought against our operators in certain states regarding employee and government requirements regarding wage and hour claims and fair housing complaints, as well as class action lawsuits related to staffing and care. There can be no assurance that we will be able to prevail in, or achieve a favorable settlement of, pending or future litigation. In addition, pending litigation or future litigation, government proceedings or environmental matters could lead to increased costs or interruption of our normal business operations. An unfavorable resolution of pending or future litigation or legal proceedings may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses, significantly divert the attention of management, and could damage our reputation and our brand. In addition, any such resolution could involve our agreement to terms that restrict the operation of our business. We cannot guarantee losses incurred in connection with any current or future legal or regulatory proceedings or actions will not exceed any provisions we may have set aside in respect of such proceedings or actions or will not exceed any available insurance coverage.

Development, redevelopment and construction risks could affect our profitability

We invest in various development and redevelopment projects. In deciding whether to acquire or develop a particular property, we make assumptions regarding the expected future performance of that property. In particular, we estimate the return on our investment based on expected construction costs, lease up velocity, occupancy, rental rates, operating expenses, capital costs and future competition. If our financial projections with respect to a new property are inaccurate, the property may fail to perform as we expected in analyzing our investment. Our estimate of the costs of repositioning or redeveloping an acquired property may prove to be inaccurate, which may result in our failure to meet our profitability goals.

Our development/redevelopment and construction projects are vulnerable to the impact of material shortages and inflation. For example, shortages and fluctuations in the price of lumber or in other important raw materials have resulted in and could continue to result in delays in the start or completion of, or increase the cost of, developing one or more of our projects. Pricing for labor and raw materials can be affected by various national, regional, local, economic and political factors, including changes to immigration laws that impact the availability of labor or tariffs on imported construction materials. Additional conditions and risks affecting our development/redevelopment and construction projects include: (i) liability if our communities are not constructed in compliance with the accessibility provisions of the Americans with Disabilities Acts, the Fair Housing Act or other federal, state or local requirements, which noncompliance could result in imposition of fines, an award of damage to private litigants and a requirement that we undertake structural modifications to remedy the noncompliance; (ii) cost overruns, especially in the current inflationary environment, and untimely completion of construction (including risks beyond our control, such as weather or labor conditions, material shortages or supply chain delays); (iii) the potential for fluctuation of occupancy rates and rents at redeveloped properties, which may result in our investment not being profitable; (iv) the potential that we may expend funds and management time, or fail to recover expenses already incurred, if we do not complete projects already started or abandon development or redevelopment opportunities after we begin to explore them; (v) the inability to complete leasing of a property on schedule or at all, resulting in an increase in carrying or development or redevelopment costs; (vi) the possibility that properties will be leased at below expected rental rates and (vii) to the extent the development or redevelopment activities are conducted in partnership with third parties, the possibility of disputes with our joint venture partners and the potential that we miss certain project management deadlines.

In connection with our renovation, redevelopment, development and related construction activities, we may be unable to obtain, or suffer delays in obtaining, necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, or satisfactory tax rates, incentives or abatements. Operators of new facilities we construct may need to obtain Medicare and Medicaid certification and enter into Medicare and Medicaid provider agreements and/or third-party payor contracts. In the event that the operator is unable to obtain the necessary licensure, certification, provider agreements or contracts after the completion of construction, there is a risk that we will not be able to earn any revenues on the facility until either the initial operator obtains a license or certification to operate the new facility and the necessary provider agreements or contracts or we find and contract with a new operator that is able to obtain a license to operate the facility for its intended use

and the necessary provider agreements or contracts. We have experienced such delays in obtaining necessary licensing for constructed properties and may experience additional or more significant delays in the future.

We rely on our development managers, general contractors and subcontractors to oversee and manage day-to-day construction activities. If any such party underperforms or experiences financial or other problems during the construction process, we could experience significant delays, increased costs to complete the project and/or other negative impacts to our expected returns and may need to exercise contractual remedies against such party, which may include termination of the applicable underlying service contract. In the event such termination occurs mid-construction, we would likely need to engage a new service provider, which would likely result in additional costs and delays as the transition between providers occurs.

The above-described factors could result in increased costs or our abandonment of these projects. In addition, we may abandon opportunities we have begun to investigate, for a range of reasons, including changes in expected financing or construction costs, adverse changes in expected rents or expenses, adverse environmental and/or geotechnical findings, conditions to zoning approval, legal and regulatory hurdles, including moratoriums on development and redevelopment activities, changes in market and economic conditions, natural disasters and other catastrophic events; damage, vandalism or accidents, higher requirements for capital improvements; decreased demand due to competition or other market and economic conditions, or defects that we do not discover through the inspection processes, which would result in additional expenses beyond those originally expected. In addition, we may not be able to obtain financing on favorable terms, or at all, which may render us unable to proceed with our development activities. We may not be able to complete construction and lease-up of a property on budget and on schedule, which could result in increased debt service expense or construction costs. Additionally, the time frame required for development, construction and lease-up of these properties means that we may have to wait years for significant cash returns. Because we are required to make cash distributions to our stockholders, if the cash flow from operations or refinancing is not sufficient, we may be forced to borrow additional money to fund such distributions. Newly developed and acquired properties may not produce the cash flow that we expect, which could adversely affect our overall financial performance.

Bank failures or other events affecting financial institutions could have a material adverse effect on our and our operators' and tenants' liquidity, results of operations and financial condition

The failure of a bank, or events involving limited liquidity, defaults, non-performance or other adverse conditions in the financial or credit markets impacting financial institutions, or concerns or rumors about such events, may adversely impact us, either directly or through an adverse impact on our tenants, operators and borrowers. A bank failure or other event affecting financial institutions could lead to disruptions in our or our tenants', operators' and borrowers' access to bank deposits or borrowing capacity, including access to letters of credit from certain of our tenants relating to lease obligations. In addition, our or our tenants', operators' and borrowers' deposits in excess of the Federal Deposit Insurance Corporation limits may not be backstopped by the U.S. government, and banks or financial institutions with which we or our tenants, operators and borrowers do business may be unable to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. Any adverse effects to our tenants', operators' or borrowers' liquidity or financial performance could affect their ability to meet their financial and other contractual obligations to us, which could have a material adverse effect on our business, results of operations and financial condition.

We may experience losses caused by severe weather conditions, natural disasters or the physical effects of climate change, which could result in an increase of our or our tenants' cost of insurance, unanticipated costs associated with evacuation, a decrease in our anticipated revenues or a significant loss of the capital we have invested in a property

We maintain or require our tenants to maintain comprehensive insurance coverage on our properties with terms, conditions, limits and deductibles that we believe are appropriate given the relative risk and costs of such coverage. However, a large number of our properties are located in areas particularly susceptible to revenue loss, cost increase or damage caused by severe weather conditions or natural disasters such as hurricanes, earthquakes, tornadoes and floods, as well as the effects of climate change. For example, in 2023, the weather phenomenon known as El Niño returned. This phenomenon generally results in an increase in storms, flooding and landslides in Southern California, heavier precipitation along the Gulf of Mexico and an increase in severe weather in Florida. We believe, given current industry practice and analysis prepared by outside consultants, that our and our tenants' insurance coverage is appropriate to cover reasonably anticipated losses that may be caused by hurricanes, earthquakes, tornadoes, floods, wildfires and other severe weather conditions and natural disasters, including the effects of climate change. Nevertheless, we are always subject to the risk that such insurance will not fully cover all losses and, depending on the severity of the event and the impact on our properties, such insurance may not cover a significant portion of the losses including the costs associated with evacuation. Moreover, an increase in volatility and difficulty predicting adverse weather events, such as the changes in tornado patterns in recent years, may result in additional losses. These losses may lead to an increase of our and our tenants' cost of insurance, a decrease in our anticipated revenues from an affected property and a loss of all or a portion of the capital we have invested in an affected property. In addition, we or our tenants may not purchase insurance under certain circumstances if the cost of insurance exceeds, in our or our tenants' judgment, the value of the coverage relative to the risk of loss. Also, changes in federal and state legislation and regulation relating to climate change could result in increased capital expenditures to improve the energy efficiency and resiliency of our existing properties and could also necessitate us to spend more on our new development properties without a corresponding increase in revenue.

To the extent that significant changes in the climate occur in areas where our communities are located, we may experience extreme weather and changes in precipitation and temperature, all of which may result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions. Should the impact of climate change be material, including significant property damage to or destruction of our communities, or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. In addition, changes in federal, state and local legislation and regulation based on concerns about climate change could result in increased capital expenditures on our existing properties and our new development properties without a corresponding increase in revenue, resulting in adverse impacts to our results of operations.

We may incur costs to remediate environmental contamination at our properties, which could have an adverse effect on our or our obligors' business or financial condition

Under various laws, owners or operators of real estate may be required to respond to the presence or release of hazardous substances on the property and may be held liable for property damage, personal injuries or penalties that result from environmental contamination or exposure to hazardous substances. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. We may become liable to reimburse the government for damages and costs it incurs in connection with the contamination. Generally, such liability attaches to a person based on the person's relationship to the property. Our tenants or borrowers are primarily responsible for the condition of the property. Moreover, we review environmental site assessments of the properties that we own or encumber prior to taking an interest in them. Those assessments are designed to meet the "all appropriate inquiry" standard, which we believe qualifies us for the innocent purchaser defense if environmental liabilities arise. Based upon such assessments, we do not believe that any of our properties are subject to material environmental contamination. However, environmental liabilities may be present in our properties and we may incur costs to remediate contamination, which could have a material adverse effect on our business or financial condition or the business or financial condition of our obligors.

Cybersecurity incidents could disrupt our business and result in the loss of confidential information and legal liability

Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data through phishing or other malicious activity, attempts to interrupt our access to, or use of information technology systems through distributed denial-of-service or ransomware attacks, breaches related to our increased receipt and use of data from multiple sources, and other electronic security breaches or other cybersecurity incidents within our environment or our business partners' environments, including those resulting from human error, product defects and technology failures. Such cyber-attacks can range from individual attempts to gain unauthorized access to our or our business partners' information technology systems to more sophisticated security threats and may be specifically targeted to our business or more general industry wide risks. Our information technology networks, and those of our business partners are important enablers to our ability to perform day-to-day operations of our business. While we employ a number of measures to prevent, detect and mitigate these threats, there is no guarantee such efforts will be successful in preventing or detecting a cyber-attack. Even the most well-protected information, networks, systems and facilities remain vulnerable because the techniques used in such attempted cybersecurity breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques, implement adequate cybersecurity barriers or other preventative measures, or respond, mitigate the risks from and recover from an attack without operational impact, and thus it is impossible for us to entirely mitigate this risk. We regularly defend against, respond to and mitigate risks from cybersecurity breaches, which to date have not had a material impact on our operations; however, there is no assurance that such impacts will not be material in the future. Cybersecurity incidents could disrupt our or our critical business partners' business, damage our reputation, cause us to incur significant remediation expense and expose us to legal or regulatory claims or proceedings, including enforcement actions under data privacy or disclosure regulations.

Evolving privacy regulations could expose our business to reputational harm and losses

Regulatory authorities around the world have implemented or are considering implementing a number of legislative changes or regulations concerning data protection, which have required or may require us to incur additional expenses and may expose us to additional risks. We and our operators and managers are subject to numerous laws and regulations governing the protection of personal and confidential information of our clients, residents and/or employees, including U.S. federal and state laws (including the CCPA and HIPAA), and non-U.S. laws, such as the U.K. General Data Protection Regulation and the E.U. GDPR, which impose a number of obligations on us. These obligations vary from state to state and country to country, but generally have accountability and transparency requirements. Some jurisdictions (including the EU and U.K.) impose restrictions on transfers of data from their jurisdictions to jurisdictions that they do not consider adequate. This may have implications for our cross-border data flows and may result in additional compliance costs.

Many jurisdictions assess fines, the magnitude of which may depend on the annual global revenue of the company and the nature, gravity and duration of, the violation. Additionally, in some jurisdictions, data subjects may have a right to compensation for financial or non-financial losses. Complying with these laws may cause us or our operators and managers to incur substantial operational and compliance costs or require us to change our business practices. Despite efforts to bring our practices into compliance with these laws, we or our operators and managers may not be successful either due to internal or

external factors such as resource allocation limitations or a lack of cooperation among our business partners. Such laws may be interpreted and applied differently depending on the jurisdiction and continue to evolve, making it difficult to predict how they may develop and apply to us. Non-compliance or alleged non-compliance with laws, contractual agreements or industry standards could result in scrutiny or proceedings against us by governmental entities, regulators, our business partners, residents of our communities, data subjects, suppliers, vendors or other parties. Further, there is a risk that compliance measures we undertake will not be implemented correctly or that individuals within our business or those of our business partners will not be fully compliant with legal obligations. If there are breaches of these measures, we could face significant administrative and monetary sanctions, as well as reputational damage, which may have a material adverse effect on our operations, financial condition and prospects.

ESG-related commitments and expectations expose us to numerous risks

We have made, and expect to continue to make, commitments and disclosures related to ESG initiatives and goals. Statements related to ESG goals, targets and objectives reflect our current plans and do not constitute a guarantee that they will be achieved. Our ability to achieve any stated goal, target, or objective, including with respect to emissions reduction, is subject to numerous factors and conditions, some of which are outside of our control. In addition, standards for tracking and reporting on ESG matters, including emissions, have not been harmonized and continue to evolve. Similarly, our failure or perceived failure to pursue or fulfill our ESG goals, targets, and objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation.

Investors and other stakeholders have become increasingly focused on understanding how companies address a variety of ESG factors. Investors may consider a company's ESG-related business practices, scores and reporting, including the company's disclosures and ESG rating systems developed by third parties, as they evaluate investment decisions. The criteria used in these rating systems may conflict and change frequently, and we cannot predict how these third parties will score us, nor can we have any assurance that they score us or other companies accurately. We supplement our participation in ratings systems with published disclosures of our ESG activities, but some investors may desire other disclosures that we do not provide. Failure to participate in certain of the third-party ratings systems, score well in third-party rating systems or provide certain ESG disclosures could result in reputational harm when investors compare us to other companies, and could cause certain investors to be unwilling to invest in our common stock, which could adversely affect our stock price. Our business may also face increased scrutiny from investors and other stakeholders related to our ESG activities, including the goals, targets, and objectives that we announce, and our methodologies and timelines for pursuing them. If our ESG practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected.

At the same time, some stakeholders and regulators have expressed or pursued contrary views, legislation, and investment expectations with respect to ESG ratings and commitments, including the enactment or proposal of "anti-ESG" legislation or policies, which may expose us to additional legal or reputational risks based upon our ESG commitments and disclosures.

Our success and the success of our operators and managers depends on key personnel whose continued service is not guaranteed

Our success and the success of our operators and managers depends on the continued availability and service of key personnel, including executive officers and other highly qualified employees, and competition for their talents is intense. There is substantial competition for qualified personnel. We cannot assure you that we will retain our key personnel or that we will be able to recruit and retain other highly qualified employees in the future. Losing any key personnel could, at least temporarily, have a material adverse effect on our business and that of our operators and managers', financial position and results of operations.

Welltower is a holding company with no direct operations, and it relies on funds received from Welltower OP to pay its obligations and make distributions to stockholders

Welltower is a holding company with no direct operations. All of Welltower's property ownership, development and related business operations are conducted through Welltower OP and Welltower has no material assets or liabilities other than its investment in Welltower OP. As a result, Welltower relies on distributions from Welltower OP to make dividend payments and meet its obligations, including any tax liability on taxable income allocated to Welltower from Welltower OP. Welltower exercises exclusive control over Welltower OP, including the authority to cause Welltower OP to make distributions, subject to certain limited approval and voting rights of Welltower OP's other members as described in the Limited Liability Agreement. In addition, because Welltower is a holding company, your claims as stockholders are structurally subordinated to all existing and future liabilities and obligations to preferred equity holders of Welltower OP and its subsidiaries. Therefore, in the event of a bankruptcy, insolvency, liquidation or reorganization of Welltower OP or its subsidiaries, assets of Welltower OP or the applicable subsidiary will be available to satisfy any claims of our stockholders only after such liabilities and obligations have been satisfied in full.

Welltower is the initial member and majority owner of Welltower OP, with an approximate ownership interest of 99.765% as of December 31, 2023. In connection with our future acquisition activities or otherwise, Welltower OP may issue additional Class A Common Units ("OP Units") to third parties and admit additional members. Such issuances would reduce Welltower's percentage ownership in Welltower OP.

Risks Arising from Our Capital Structure

We may become more leveraged

Permanent financing for our investments is typically provided through a combination of public offerings of debt and equity securities and the incurrence or assumption of secured debt. The incurrence or assumption of indebtedness may cause us to become more leveraged, which could (1) require us to dedicate a greater portion of our cash flow to the payment of debt service, (2) make us more vulnerable to a downturn in the economy, (3) limit our ability to obtain additional financing, (4) negatively affect our credit ratings or outlook by one or more of the rating agencies or (5) make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings to the extent we have not entirely hedged such variable rate debt. In addition, any changes to benchmark rates may have an uncertain impact on our cost of funds and our access to the capital markets, which could impact our results of operations and cash flows. Uncertainty as to the nature of such potential changes may also adversely affect the trading market for our securities. Additional financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness.

Cash available for distributions to stockholders may be insufficient to make dividend contributions at expected levels and are made at the discretion of the Board of Directors

If cash available for distribution generated by our assets decreases due to dispositions or otherwise, we may be unable to make dividend distributions at expected levels. Our inability to make expected distributions would likely result in a decrease in the market price of our common stock. All distributions are made at the discretion of our Board of Directors in accordance with Delaware law and depend on our earnings, our financial condition, debt and equity capital available to us, our expectation of our future capital requirements and operating performance, restrictive covenants in our financial and other contractual arrangements, maintenance of our REIT qualification, restrictions under Delaware law and other factors as our Board of Directors may deem relevant from time to time. Additionally, our ability to make distributions will be adversely affected if any of the risks described herein, or other significant adverse events, occur.

We are subject to covenants in our debt agreements that could have a material adverse effect on our business, results of operations and financial condition

Our debt agreements contain various covenants, restrictions and events of default. Among other things, these provisions require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. Breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness, in addition to any other indebtedness cross-defaulted against such instruments. These defaults could have a material adverse effect on our business, results of operations and financial condition.

Limitations on our ability to access capital could have an adverse effect on our ability to make future investments or to meet our obligations and commitments

We cannot assure you that we will be able to raise the capital necessary to make future investments or to meet our obligations and commitments as they mature. Our access to capital depends upon a number of factors over which we have little or no control, including rising interest rates, inflation and other general market conditions; the market's perception of our growth potential and our current and potential future earnings and cash distributions; the market price of the shares of our common stock and the credit ratings of our debt securities; changes in the credit ratings on U.S. government debt securities; uncertainty from the transition to Secured Overnight Financing Rate ("SOFR") or any other interest rate benchmark; and default or delay in payment by the U.S. of its obligations. We also rely on the financial institutions that are parties to our revolving credit facilities. If these institutions become capital constrained, tighten their lending standards or become insolvent or if they experience excessive volumes of borrowing requests from other borrowers within a short period of time, they may be unable or unwilling to honor their funding commitments to us, which would adversely affect our ability to draw on our revolving credit facilities and, over time, could negatively impact our ability to consummate acquisitions, repay indebtedness as it matures, fund capital expenditures or make distributions to our stockholders. If our access to capital is limited by these factors or other factors, it could negatively impact our ability to acquire properties, repay or refinance our indebtedness, fund operations or make distributions to our stockholders.

Downgrades in our credit ratings could have a material adverse effect on our cost and availability of capital

We plan to manage the company to maintain a capital structure consistent with our current profile, but there can be no assurance that we will be able to maintain our current credit ratings. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse effect on our cost and availability of capital, which could in turn have a material adverse effect on our results of operations, liquidity, cash flows, the trading/redemption price of our securities and our ability to satisfy our debt service obligations and to pay dividends and distributions to our equity holders.

Increases in interest rates could have a material adverse effect on our cost of capital, and our decision to hedge against interest rate risk might not be effective

The current high interest rate environment has been increasing interest cost on new and existing variable rate debt. Such increases in the cost of capital, and any further increases resulting from future interest rate hikes, could adversely impact our ability to finance operations, acquire and develop properties, and refinance existing debt. Specifically, rate increases have corresponding impacts to our costs of borrowing and may have adverse impacts on our ability to raise funds through the offering of our securities or through the issuance of debt due to higher debt capital costs, diminished credit availability and less favorable equity markets. Additionally, increased interest rates may also result in less liquid property markets, limiting our ability to sell existing assets. Higher interest rates may also lead purchasers of our common stock to demand a greater annual dividend yield, which could adversely affect the market price of our common stock and could result in increased capitalization rates, which may lead to reduced valuation of our assets.

We may from time to time seek to manage our exposure to interest rate volatility with hedging arrangements, which involve additional risks, including the risks that counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes, that the amount of income we earn from hedging transactions may be limited by federal tax provisions governing REITs, and that these arrangements may reduce the benefits to us if interest rates decline. Developing and implementing an interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations and there can be no assurance that our hedging activities will be effective. Failure to hedge effectively against interest rate risk, if we choose to engage in such activities, could adversely affect our business, financial condition and results of operations.

Risks Arising from Our Status as a REIT

We might fail to qualify or remain qualified as a REIT

We intend to operate as a REIT under the Code, and believe we have operated and will continue to operate in such a manner. If we lose our status as a REIT, we will face serious income tax consequences that will substantially reduce the funds available for satisfying our obligations and for distribution to our stockholders because:

- Welltower would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates;
- Welltower would be subject to increased state and local taxes; and
- unless Welltower is entitled to relief under statutory provisions, it could not elect to be subject to tax as a REIT for four taxable years following the year during which it was disqualified.

Since REIT qualification requires us to meet a number of complex requirements, it is possible that we may fail to fulfill them, and if we do, our earnings will be reduced by the amount of U.S. federal and other income taxes owed. A reduction in our earnings would affect the amount we could distribute to our stockholders. If we do not qualify as a REIT, we will not be required to make distributions to stockholders, since a non-REIT is not required to pay dividends to stockholders in order to maintain REIT status or avoid an excise tax. In addition, if we fail to qualify as a REIT, all distributions to stockholders will continue to be treated as dividends to the extent of our current and accumulated earnings and profits, although corporate stockholders may be eligible for the dividends received deduction, and individual stockholders may be eligible for taxation at the rates generally applicable to long-term capital gains with respect to distributions.

As a result of all these factors, our failure to qualify as a REIT also could impair our ability to implement our business strategy and would adversely affect the value of our common stock. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to remain qualified as a REIT. Although we believe that we qualify as a REIT, we cannot assure you that we will remain qualified as a REIT for U.S. federal income tax purposes.

Failure of Welltower OP to maintain status as a partnership for U.S. federal income tax purposes

We believe Welltower OP qualifies as a partnership for U.S. federal income tax purposes. As a partnership, Welltower OP is generally not subject to U.S. federal income tax on its income. Instead, each of the partners is allocated its share of Welltower OP's income. We cannot assure you, however, that the IRS will not challenge the status of Welltower OP as a partnership for U.S. federal income tax purposes. If the IRS were to successfully challenge the status of Welltower OP as a partnership, it would be taxable as a corporation. In such event, this would reduce the amount of distributions that Welltower OP could make. The treatment of Welltower OP as a corporation would also cause us to fail to qualify as a REIT. This would substantially reduce our cash available to pay distributions and the return on a unitholder and/or shareholder's investment.

Certain subsidiaries might fail to qualify or remain qualified as a REIT

We own interests in a number of entities which intend to operate as REITs for U.S. federal income tax purposes, some of which we consolidate for financial reporting purposes but each of which is treated as a separate REIT for federal income tax purposes (each a "Subsidiary REIT"). To qualify as a REIT, each Subsidiary REIT must independently satisfy all of the REIT qualification requirements under the Code, together with all other rules applicable to REITs. Provided that each Subsidiary

REIT qualifies as a REIT, our interests in the Subsidiary REITs will be treated as qualifying real estate assets for purposes of the REIT asset tests. If a Subsidiary REIT fails to qualify as a REIT in any taxable year, such Subsidiary REIT would be subject to federal and state income taxes and would not be able to qualify as a REIT for the four subsequent taxable years following the year during which it was disqualified. Any such failure could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus our ability to qualify as a REIT, unless we are able to avail ourselves of certain relief provisions and pay any tax required by such relief provisions.

The tax imposed on any net income from "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes

Any net income of a REIT from prohibited transactions (which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than dispositions of foreclosure property) is subject to a 100% tax, unless certain safe harbor exceptions apply. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business (other than through a TRS), such characterizations is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

The 90% annual distribution requirement will decrease our liquidity and may limit our ability to engage in otherwise beneficial transactions

To comply with the 90% distribution requirement applicable to REITs and to avoid the nondeductible excise tax, we must make distributions to our stockholders. Although we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the REIT distribution requirement, it is possible that, from time to time, we may not have sufficient cash or other liquid assets to meet the 90% distribution requirement. This may be due to timing differences between the actual receipt of income and actual payment of deductible expenses, on the one hand, and the inclusion of that income and deduction of those expenses in arriving at our taxable income, on the other hand. In addition, non-deductible expenses such as principal amortization or repayments or capital expenditures in excess of non-cash deductions may cause us to fail to have sufficient cash or liquid assets to enable us to satisfy the 90% distribution requirement. In the event that timing differences occur, or we deem it appropriate to retain cash, we may borrow funds, even if the then-prevailing market conditions are not favorable for these borrowings, issue additional equity securities (although we cannot assure you that we will be able to do so), pay taxable stock dividends, if possible, distribute other property or securities or engage in other transactions intended to enable us to meet the REIT distribution requirements. This may require us to raise additional capital to meet our obligations.

Our use of TRSs is limited under the Code

Under the Code, no more than 20% of the value of the gross assets of a REIT may be represented by securities of one or more TRSs. This limitation may affect our ability to increase the size of our TRSs' operations and assets, and there can be no assurance that we will be able to comply with the applicable limitation, or that such compliance will not adversely affect our business. Also, our TRSs may not, among other things, operate or manage certain health care facilities, which may cause us to forgo investments we might otherwise make. Finally, we may be subject to a 100% excise tax on the income derived from certain transactions with our TRSs that are not on an arm's-length basis. We believe our arrangements with our TRSs are on arm's-length terms and intend to continue to operate in a manner that allows us to avoid incurring the 100% excise tax described above, but there can be no assurance that we will be able to avoid application of that tax.

The lease of qualified health care properties to a TRS is subject to special requirements

We lease certain qualified health care properties to TRSs (or subsidiaries of TRSs), which lessees contract with managers (or related parties) to manage the health care operations at these properties. The rents from this TRS lessee structure are treated as qualifying rents from real property if (1) they are paid pursuant to an arm's-length lease of a qualified health care property with a TRS and (2) the manager qualifies as an eligible independent contractor (as defined in the Code). If any of these conditions are not satisfied, then the rents will not be qualifying rents.

If certain sale-leaseback transactions are not characterized by the IRS as "true leases," we may be subject to adverse tax consequences

We have purchased certain properties and leased them back to the sellers of such properties, and we may enter into similar transactions in the future. We intend for any such sale-leaseback transaction to be structured in such a manner that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, depending on the terms of any specific transaction, the IRS might take the position that the transaction is not a "true lease" but is more properly treated in some other manner. In the event any sale-leaseback transaction is challenged and successfully re-characterized by the IRS, we would not be entitled to claim the deductions for depreciation and cost recovery generally available to an owner of property. Furthermore, if a sale-leaseback transaction were so re-characterized, we might fail to satisfy the REIT asset tests or income tests and, consequently, could lose our REIT status effective with the year of re-characterization. Alternatively, the amount of our REIT taxable income could be recalculated, which may cause us to fail to meet the REIT annual distribution requirements for a taxable year.

We could be subject to changes in our tax rates, the adoption of new U.S. or international tax legislation, or exposure to additional tax liabilities

We are subject to taxes in the U.S. and foreign jurisdictions. Because the U.S. maintains a worldwide corporate tax system, the foreign and U.S. tax systems are somewhat interdependent. Longstanding international norms that determine each country's jurisdiction to tax cross-border international trade are evolving and could reduce the ability of our foreign subsidiaries to deduct for foreign tax purposes the interest they pay on loans from us, thereby increasing the foreign tax liability of the subsidiaries; it is also possible that foreign countries could increase their withholding taxes on dividends and interest.

Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates or changes in tax laws or their interpretation. We are also subject to the examination of our tax returns and other tax matters by the IRS and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If we were subject to review or examination by the IRS or applicable foreign jurisdiction as the result of any new tax law changes, the ultimate determination of which may change our taxes owed for an amount in excess of amounts previously accrued or recorded, our financial condition, operating results, and cash flows could be adversely affected.

The present federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the federal income tax treatment of an investment in us. The federal income tax rules dealing with U.S. federal income taxation and REITs are constantly under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. Also, the law relating to the tax treatment of other entities or an investment in other entities could change, making an investment in such other entities more attractive relative to an investment in a REIT.

We cannot predict how changes in the tax laws in the U.S. or foreign jurisdictions might affect our investors or us. Revisions in tax laws and interpretations thereof could significantly and negatively affect our ability to qualify as a REIT, as well as the tax considerations relevant to an investment in us, could require us to pay additional taxes on our assets or income and/or be subject to additional restrictions, could cause us to change our investments and commitments, and could adversely affect our earnings and cash flow. These changes could, among other things, adversely affect the trading price for our common stock, our financial condition, our results of operations and the amount of cash available for the payment of dividends.

The impact to our TRSs of the Corporate Alternative Minimum Tax imposed by the Inflation Reduction Act of 2022 is uncertain and may be adverse

For tax years beginning after December 31, 2022, the Inflation Reduction Act of 2022 ("IRA") imposes among other things, a 15% Corporate Alternative Minimum Tax ("Corporate AMT") on certain U.S. corporations with average adjusted financial statement income in excess of \$1 billion. Although, by its terms, the Corporate AMT is not applicable to REITs, it is not certain whether or how the Corporate AMT would apply to our TRSs.

The IRS has issued a number of rulings indicating its intention to propose regulations providing guidance regarding the Corporate AMT and issuing certain interim rules on which taxpayers may rely. Until further regulations and guidance from the IRS and Treasury are released, the impact of the Corporate AMT on our TRSs is uncertain and it is possible that our TRSs will be subject to material U.S. federal income taxes under the Corporate AMT.

Item 1B. *Unresolved Staff Comments*

None.

Item 1C. *Cybersecurity*

Our information technology networks, those of our operators and managers, and those of third parties on whom we rely, are important enablers to our ability to perform day-to-day operations of our business. Our business operations depend on the secure collection, storage, transmission and other processing of proprietary, confidential or sensitive data.

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats. Our cybersecurity program includes several safeguards such as access controls, multi-factor authentication, continuous monitoring and alerting systems for internal and external threats and penetration testing. Additionally, we conduct regular evaluation of our cybersecurity program, encompassing internal reviews and third-party assessments to ensure its effectiveness and resilience.

Governance

The Board of Directors (the "Board") retains ultimate oversight of cybersecurity risk, which it manages through our enterprise risk management program. The Board has delegated primary responsibility of overseeing cybersecurity risks to the Audit Committee. The Audit Committee's responsibilities include reviewing cybersecurity strategies with management, assessing processes and controls pertaining to the management of our information technology operations and their effectiveness, and seeking to confirm that management's response to potential cybersecurity incidents is timely and effective. At least annually, the Audit Committee receives a cybersecurity report from management. This report may cover a variety of relevant topics, potentially including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations related to our

operators, managers and third parties. The scope and focus of each report are determined based on current priorities and emerging issues in cybersecurity. The Audit Committee and management also report to the Board at least annually on data protection and cybersecurity matters.

Management and Cybersecurity Working Group

Reporting to the Chief Operating Officer, our Chief Technology Officer, with extensive cybersecurity knowledge and skills from over 20 years of relevant work experience at Welltower and elsewhere, leads the team responsible for developing and implementing our information security program across our business. This team comprises individuals with relevant educational and technical experience, many having held similar positions with responsibility for various aspects of cybersecurity at large organizations. This team works closely with the Legal department to oversee compliance and regulatory and contractual security requirements. The Chief Technology Officer also leads our Cyber Security Working Group, which is comprised of a cross-functional team including Internal Audit, Legal, Information Technology, Risk Management and Accounting leaders. These individuals meet regularly and are informed about and monitor the prevention, mitigation, detection and remediation of cybersecurity incidents. The Chief Technology Officer is responsible for reporting on cybersecurity and information technology to the Audit Committee.

Information Security Program

The information security team provides regular reports to the Chief Technology Officer and other relevant teams on various cybersecurity threats, assessments and findings. In addition to our internal cybersecurity capabilities, we also periodically engage assessors, consultants, auditors or other third parties to provide consultation and advice to assist with assessing, identifying and managing cybersecurity risks. Our management team identifies and assesses information security risks using industry practices informed by the National Institute of Standards and Technology ("NIST"), including the NIST Cybersecurity Framework.

To ensure that cybersecurity is an organization-wide effort, we provide mandatory cybersecurity training at least annually for all employees with network access, including training designed to simulate and help prevent phishing and other social engineering attacks. We also employ systems and processes designed to oversee, identify and reduce the potential impact of a security incident at a third-party vendor, service provider or otherwise implicating the third-party technology and systems we use. Additionally, we maintain cybersecurity insurance providing coverage for certain costs related to cybersecurity-related incidents that impact our cybersecurity and information technology infrastructure.

Incident Response

The Cybersecurity Working Group maintains and oversees an incident response plan that applies in the event of a cybersecurity threat or incident to provide a standardized framework for responding to cybersecurity incidents. The incident response plan sets out a coordinated approach to investigating, containing, documenting and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved as appropriate. The objectives of the incident response plan are to reduce the number of systems and users affected by security incidents, reduce the time a threat actor spends within our network, reduce the damage caused by the breach and reduce the time required to restore normal operations. The incident response plan also specifies the use of third-party experts for legal advice, consulting and cyber incident response.

Material Cybersecurity Risks, Threats and Incidents

While we employ several measures to prevent, detect and mitigate cybersecurity threats, there is no guarantee such efforts will be successful. We also rely on information technology and other third-party vendors to support our business, including securely processing personal, confidential, financial, sensitive or proprietary and other types of information. Despite our efforts to improve our ability, and the ability of relevant third parties', to protect against cyber threats, we may not be able to protect all information, systems, products and services. While we are not aware of any cybersecurity incidents that have materially affected us to date, there can be no guarantee that we will not be the subject of future attacks, threats or incidents, that may have a material impact on our business strategy, results of operations or financial condition. Additional information on cybersecurity risks we face can be found in Part I, Item 1A "Risk Factors" of this Form 10-K under the heading "Cybersecurity incidents could disrupt our business and result in the loss of confidential information and legal liability," which should be read in conjunction with the foregoing information.

Item 2. Properties

We lease our corporate headquarters located at 4500 Dorr Street, Toledo, Ohio 43615. We also lease corporate offices throughout the U.S., Canada and the United Kingdom and have ground leases relating to certain of our properties. The following table sets forth certain information regarding the properties that comprise our consolidated real property and real estate loan investments as of December 31, 2023 (dollars in thousands):

Property Location	Seniors Housing Operating			Triple-net			Outpatient Medical		
	Number of Properties	Total Investment	Annualized Revenues ⁽¹⁾	Number of Properties	Total Investment	Annualized Revenues ⁽¹⁾	Number of Properties	Total Investment	Annualized Revenues ⁽¹⁾
Alabama	5	\$ 54,058	\$ 14,606	3	\$ 32,442	\$ 4,607	6	\$ 174,961	\$ 13,091
Arkansas	1	26,758	5,445	—	—	—	1	19,716	2,281
Arizona	13	313,573	52,852	—	—	144	8	89,447	12,199
California	107	3,794,605	901,464	23	418,370	55,870	43	1,027,948	127,911
Colorado	17	504,482	116,561	8	217,215	19,361	1	2,024	—
Connecticut	6	156,876	32,735	4	81,453	7,976	7	96,464	9,218
District Of Columbia	2	139,124	14,689	—	—	—	1	77,112	8,216
Delaware	6	61,488	31,023	4	117,409	15,337	—	—	—
Florida	31	1,071,179	221,843	101	1,443,056	177,880	25	221,349	43,078
Georgia	18	334,750	61,823	3	36,712	3,545	18	223,381	34,297
Hawaii	1	69,929	22,187	—	—	—	—	—	—
Iowa	10	128,726	40,965	6	45,419	3,281	—	—	—
Idaho	6	112,082	10,520	—	—	—	2	47,782	4,306
Illinois	37	667,524	184,586	21	250,640	20,458	10	128,916	19,448
Indiana	17	418,024	65,395	19	227,652	19,343	3	29,264	4,353
Kansas	10	146,406	49,970	20	164,611	23,131	—	—	—
Kentucky	4	58,878	17,954	3	48,918	5,440	—	—	—
Louisiana	9	195,341	50,681	1	6,934	720	1	22,123	815
Massachusetts	19	658,548	107,353	8	160,657	9,662	9	154,718	14,423
Maryland	10	548,701	108,441	16	171,336	41,146	12	237,668	28,319
Maine	1	23,061	12,457	—	—	—	—	—	—
Michigan	29	477,490	119,763	25	233,157	22,438	13	176,348	19,536
Minnesota	3	74,761	14,334	12	221,642	23,023	7	138,393	30,263
Missouri	13	319,790	57,700	—	—	—	16	222,901	29,368
Mississippi	5	88,753	20,338	—	—	—	2	46,752	3,784
Montana	2	22,858	8,547	—	—	—	—	—	—
North Carolina	14	581,410	94,097	50	496,773	78,361	25	607,853	48,794
North Dakota	1	12,690	1,400	—	—	—	—	—	—
Nebraska	8	103,184	20,837	—	—	—	1	10,505	2,322
New Hampshire	3	82,391	8,722	—	—	—	—	—	—
New Jersey	28	696,855	233,930	27	741,750	85,879	16	334,280	43,903
New Mexico	—	—	—	—	—	—	1	31,061	—
Nevada	7	122,711	35,922	—	—	—	8	122,566	10,700
New York	41	809,833	195,804	3	34,025	1,513	15	397,615	34,233
Ohio	49	940,675	201,115	41	448,950	52,953	8	125,836	14,937
Oklahoma	14	182,051	52,514	12	87,550	13,789	5	25,054	3,626
Oregon	14	158,472	48,307	1	2,306	909	1	41,995	3,104
Pennsylvania	26	447,525	117,573	56	558,164	101,308	6	92,175	6,812
South Carolina	8	223,789	30,853	7	31,428	7,215	2	9,452	1,566
Tennessee	9	186,340	44,327	6	56,410	7,849	3	64,268	5,717
Texas	83	1,790,432	397,246	23	321,329	35,221	71	1,463,494	109,352
Utah	4	71,291	25,368	1	21,144	2,100	1	10,556	1,108
Virginia	13	538,467	128,187	29	323,151	61,466	7	109,708	7,124
Washington	33	917,452	218,974	7	85,367	12,142	9	194,660	33,384
Wisconsin	2	18,136	6,696	5	81,547	10,214	5	81,127	8,817
West Virginia	—	—	—	1	6,134	999	—	—	—
Total domestic	739	\$ 18,351,469	\$ 4,206,104	546	\$ 7,173,651	\$ 925,280	369	\$ 6,859,472	\$ 740,405
Canada	119	3,132,032	598,856	6	128,881	10,334	—	—	—
United Kingdom	60	1,667,483	473,615	62	1,462,925	110,168	—	—	—
Total international	179	\$ 4,799,515	\$ 1,072,471	68	\$ 1,591,806	\$ 120,502	—	\$ —	\$ —
Grand total	918	\$ 23,150,984	\$ 5,278,575	614	\$ 8,765,457	\$ 1,045,782	369	\$ 6,859,472	\$ 740,405

⁽¹⁾ Represents revenue for the month ended December 31, 2023 annualized.

The following table sets forth occupancy and average annualized revenues for certain property types (excluding investments in unconsolidated entities):

	Occupancy ⁽¹⁾		Average Annualized Revenues ⁽²⁾		
	2023	2022	2023	2022	
Seniors Housing Operating ⁽³⁾	81.8%	78.1%	\$ 52,709	\$ 49,987	per unit
Triple-net ⁽⁴⁾	78.6%	76.2%	19,124	17,330	per bed/unit
Outpatient Medical ⁽⁵⁾	94.8%	95.2%	37	38	per sq. ft.

⁽¹⁾ We use unaudited, periodic financial information provided solely by tenants/borrowers to calculate occupancy for properties other than Outpatient Medical buildings and have not independently verified the information.

⁽²⁾ Represents December annualized revenues as presented in the tables above, divided by total beds, units or square feet in service.

⁽³⁾ Occupancy represents average occupancy of properties in service for the three months ended December 31.

⁽⁴⁾ Occupancy represents average quarterly operating occupancy based on the quarters ended September 30 and excludes properties that are unstabilized, closed or for which data is not available or meaningful.

⁽⁵⁾ Occupancy represents the percentage of total rentable square feet leased and occupied (including month-to-month and holdover leases and excluding terminations) as of December 31.

The following table sets forth information regarding lease expirations for certain portions of our portfolio as of December 31, 2023 (dollars in thousands):

	Expiration Year ⁽¹⁾										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Thereafter
Triple-net:											
Properties	7	16	13	1	5	4	34	5	127	42	348
Base rent ⁽²⁾	\$ 13,495	\$ 7,803	\$ 12,855	\$ 1,232	\$ 6,404	\$ 1,035	\$ 70,998	\$ 10,762	\$ 99,472	\$ 54,813	\$ 459,973
% of base rent	1.8 %	1.1 %	1.7 %	0.2 %	0.9 %	0.1 %	9.6 %	1.5 %	13.5 %	7.4 %	62.2 %
Units	1,182	521	1,695	80	616	219	3,669	423	6,163	3,267	39,419
% of units	2.1 %	0.9 %	3.0 %	0.1 %	1.1 %	0.4 %	6.4 %	0.7 %	10.8 %	5.7 %	68.8 %
Outpatient Medical:											
Square feet	2,108,859	1,296,491	1,635,726	1,524,274	1,552,764	1,314,461	1,254,813	1,780,700	1,470,798	1,195,919	4,469,245
Base rent ⁽²⁾	\$ 62,546	\$ 38,352	\$ 45,124	\$ 39,534	\$ 43,408	\$ 37,184	\$ 35,361	\$ 49,581	\$ 42,971	\$ 31,045	\$ 127,189
% of base rent	11.3 %	6.9 %	8.2 %	7.2 %	7.9 %	6.7 %	6.4 %	9.0 %	7.8 %	5.6 %	23.0 %
Leases	464	263	266	234	260	147	113	84	157	104	183
% of leases	20.4 %	11.6 %	11.7 %	10.3 %	11.4 %	6.5 %	5.0 %	3.7 %	6.9 %	4.6 %	7.9 %

⁽¹⁾ Excludes investments in unconsolidated entities, developments, land parcels, loans receivable and sub-leases. Investments classified as held for sale are included in 2024.

⁽²⁾ The most recent monthly cash base rent annualized. Base rent does not include tenant recoveries or amortization of above and below market lease intangibles or other non-cash income.

Item 3. Legal Proceedings

From time to time, there are various legal proceedings pending against us that arise in the ordinary course of our business. Management does not believe that the resolution of any of these legal proceedings either individually or in the aggregate will have a material adverse effect on our business, results of operations or financial condition. Further, from time to time, we are party to certain legal proceedings for which third parties, such as tenants, operators and/or managers are contractually obligated to indemnify, defend and hold us harmless. In some of these matters, the indemnitors have insurance for the potential damages. In other matters, we are being defended by tenants and other obligated third parties and these indemnitors may not have sufficient insurance, assets, income or resources to satisfy their defense and indemnification obligations to us. The unfavorable resolution of such legal proceedings could, individually or in the aggregate, materially adversely affect the indemnitors' ability to satisfy their respective obligations to us, which, in turn, could have a material adverse effect on our business, results of operations or financial condition. It is management's opinion that there are currently no such legal proceedings pending that will, individually or in the aggregate, have such a material adverse effect. Despite management's view of the ultimate resolution of these legal proceedings, we may have significant legal expenses and costs associated with the defense of such matters. Further, management cannot predict the outcome of these legal proceedings and if management's expectation regarding such matters is not correct, such proceedings could have a material adverse effect on our business, results of operations or financial condition.

Item 4. Mine Safety Disclosures

None.

PART II

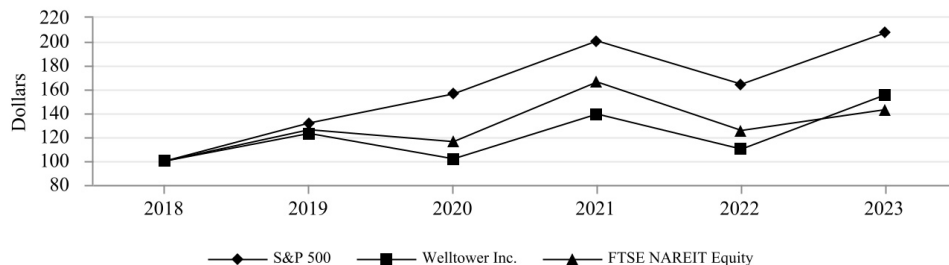
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on the New York Stock Exchange (NYSE:WELL). There were 2,758 stockholders of record as of February 9, 2024.

Please see "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operation - Executive Summary - Key Transactions - Dividends" for a discussion of cash dividends declared on our common stock.

Stockholder Return Performance Presentation

The graph and table below compares the yearly percentage change and the cumulative total stockholder return on our shares of common stock against the cumulative total return of the S&P Composite-500 Stock Index and the FTSE NAREIT Equity Index. The data are based on the closing prices as of December 31 for each of the five years presented. 2018 equals \$100 and dividends are assumed to be reinvested.



	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>
S & P 500	\$ 100.00	\$ 131.49	\$ 155.68	\$ 200.37	\$ 164.08	\$ 207.21
Welltower Inc.	100.00	123.03	101.52	139.06	109.62	155.40
FTSE NAREIT Equity	100.00	126.00	115.92	166.04	125.58	142.83

Except to the extent that we specifically incorporate this information by reference, the foregoing Stockholder Return Performance Presentation shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended. This information shall not otherwise be deemed filed under such Acts.

During the three months ended December 31, 2023, we acquired shares of our common stock held by employees who tendered shares to satisfy tax withholding obligations upon the vesting of previously issued restricted stock awards. Specifically, the number of shares of common stock acquired from employees and the average prices paid per share for each month in the fourth quarter ended December 31, 2023 are as shown in the table below:

Issuer Purchases of Equity Securities						
Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program		
October 1, 2023 through October 31, 2023	834	\$ 84.16	—	\$ 3,000,000,000		
November 1, 2023 through November 30, 2023	541	85.15	—	3,000,000,000		
December 1, 2023 through December 31, 2023	—	—	—	3,000,000,000		
Totals	1,375	\$ 84.55	—	\$ 3,000,000,000		

Under the terms of various partnership agreements of certain of our affiliated limited partnerships, the interest of limited partners may be redeemed, subject to certain conditions, for cash or common shares, at our option. During the three months ended December 31, 2023, we redeemed 980 OP Units for common shares.

On November 7, 2022, our Board of Directors approved a share repurchase program for up to \$3,000,000,000 of common stock (the "Stock Repurchase Program"). Under the Stock Repurchase Program, we are not required to purchase shares but may choose to do so in the open market or through privately-negotiated transactions, through block trades, by effecting a tender offer, by way of an accelerated share repurchase program, through the purchase of call options or the sale of put options, or otherwise, or by any combination of the foregoing. We expect to finance any share repurchases using available cash and may use proceeds from borrowings or debt offerings. The Stock Repurchase Program has no expiration date and does not obligate us to repurchase any specific number of shares. We did not repurchase any shares of our common stock through the Stock Repurchase Program during the three months ended December 31, 2023.

Item 6. [Reserved]

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is based primarily on the consolidated financial statements of Welltower Inc. presented in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") for the periods presented and should be read together with the notes thereto contained in this Annual Report on Form 10-K. Other important factors are identified in "Item 1 — Business" and "Item 1A — Risk Factors" above.

On March 7, 2022, we announced our intent to complete an UPREIT reorganization. In February 2022, the company formerly known as Welltower Inc. ("Old Welltower") formed WELL Merger Holdco Inc. ("New Welltower") as a wholly owned subsidiary, and New Welltower formed WELL Merger Holdco Sub Inc. ("Merger Sub") as a wholly owned subsidiary. On April 1, 2022, Merger Sub merged with and into Old Welltower, with Old Welltower continuing as the surviving corporation and a wholly owned subsidiary of New Welltower (the "Merger"). In connection with the Merger, Old Welltower's name was changed to "Welltower OP Inc.", and New Welltower inherited the name "Welltower Inc." Effective May 24, 2022, Welltower OP Inc. ("Welltower OP") converted from a Delaware corporation into a Delaware limited liability company named Welltower OP LLC (the "LLC Conversion"). Following the LLC Conversion, New Welltower's business continues to be conducted through Welltower OP and New Welltower does not have substantial assets or liabilities, other than through its investment in Welltower OP.

Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP.

Executive Summary

Company Overview

Welltower Inc. (NYSE:WELL), a real estate investment trust ("REIT") and S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. Welltower invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

Welltower is the initial member and majority owner of Welltower OP, with an approximate ownership interest of 99.765% as of December 31, 2023. All of our property ownership, development and related business operations are conducted through Welltower OP and Welltower has no material assets or liabilities other than its investment in Welltower OP. Welltower issues equity from time to time, the net proceeds of which it is obligated to contribute as additional capital to Welltower OP. All debt including credit facilities, senior notes and secured debt is incurred by Welltower OP and its subsidiaries, and Welltower has fully and unconditionally guaranteed all existing senior unsecured notes.

The following table summarizes our consolidated portfolio for the year ended December 31, 2023 (dollars in thousands):

Type of Property	NOI ⁽¹⁾	Percentage of NOI	Number of Properties
Seniors Housing Operating	\$ 1,118,135	42.4 %	918
Triple-net	1,001,135	37.9 %	614
Outpatient Medical	519,199	19.7 %	369
Totals	<u>\$ 2,638,469</u>	<u>100.0 %</u>	<u>1,901</u>

⁽¹⁾ Represents consolidated net operating income ("NOI") and excludes our share of investments in unconsolidated entities. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount. See Non-GAAP Financial Measures for additional information and reconciliation.

Business Strategy

Our primary objectives are to protect stockholder capital and enhance stockholder value. We seek to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments to stockholders as a result of annual increases in NOI and portfolio growth. To meet these objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, relationship and geographic location.

Substantially all of our revenues are derived from operating lease rentals, resident fees and services, interest earned on outstanding loans receivable and interest earned on short-term deposits. These items represent our primary sources of liquidity to fund distributions and depend upon the continued ability of our obligors to make contractual rent and interest payments to us and the profitability of our operating properties. To the extent that our obligors/partners experience operating difficulties and become unable to generate sufficient cash to make payments or operating distributions to us, there could be a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. To mitigate this risk, we monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs and market conditions among other things. We evaluate the operating environment in each property's market to determine the likely trend in operating performance of the facility. When we identify unacceptable trends, we seek to mitigate, eliminate or transfer the risk. Through these efforts, we generally aim to intervene at an early stage to address any negative trends, and in so doing, support both the collectability of revenue and the value of our investment.

In addition to our asset management and research efforts, we aim to structure our relevant investments to mitigate payment risk. Operating leases and loans are normally credit enhanced by guarantees and/or letters of credit. Also, operating leases are typically structured as master leases and loans are generally cross-defaulted and cross-collateralized with other real estate loans, operating leases or agreements between us and the obligor and its affiliates.

For the year ended December 31, 2023, resident fees and services and rental income represented 72% and 23%, respectively, of total revenues. Substantially all of our operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Our yield on loans receivable depends upon a number of factors, including the stated interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

Our primary sources of cash include resident fees and services, rent and interest receipts, interest earned on short-term deposits, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash.

We also continuously evaluate opportunities to finance future investments. New investments are generally funded from temporary borrowings under our unsecured revolving credit facility and commercial paper program, internally generated cash and the proceeds from investment dispositions. Our investments generate cash from NOI and principal payments on loans receivable. Permanent financing for future investments, which replaces funds drawn under our unsecured revolving credit facility and commercial paper program, has historically been provided through a combination of the issuance of public debt and equity securities and the incurrence or assumption of secured debt. Given general economic conditions in 2023, investments were generally funded proactively via issuances of common stock.

Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. It is also likely that investment dispositions may occur in the future. To the extent that investment dispositions exceed new investments, our revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any investment dispositions in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured revolving credit facility and commercial paper program. At December 31, 2023, we had \$1,993,646,000 of cash and cash equivalents, \$82,437,000 of restricted cash and \$4,000,000,000 of available borrowing capacity under our unsecured revolving credit facility.

Key Transactions

Capital The following summarizes key capital transactions that occurred during the year ended December 31, 2023:

- In May 2023, we issued \$1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028 unless earlier exchanged, purchased or redeemed.
- During the year ended December 31, 2023, we issued \$385,115,000 of secured debt at a blended average interest rate of 5.13% and assumed \$428,578,000 of secured debt at a blended average interest rate of 6.42%. We extinguished \$687,780,000 of secured debt at a blended average interest rate of 6.21%.
- In August 2023, Welltower and Welltower OP entered into the ATM Program (as defined below) pursuant to which we may offer and sell up to \$4,000,000,000 of common stock of Welltower from time to time. During the twelve months ended December 31, 2023, we sold 53,300,874 shares of common stock under our current and previous ATM Programs generating gross proceeds of approximately \$4,313,007,000.
- In November 2023, we issued 20,125,000 shares of common stock generating gross proceeds of approximately \$1,772,216,000.

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Investments

Investments The following summarizes our property acquisitions and joint venture investments completed during the year ended December 31, 2023 (dollars in thousands):

	Properties	Book Amount ⁽¹⁾	Capitalization Rates ⁽²⁾
Seniors Housing Operating	52	\$ 2,655,913	5.4%
Triple-net	66	1,097,004	9.4%
Outpatient Medical	35	474,058	6.9%
Totals	153	\$ 4,226,975	6.6%

⁽¹⁾ Represents amounts recorded in net real estate investments including fair value adjustments pursuant to U.S. GAAP. See Note 3 to our consolidated financial statements for additional information.

⁽²⁾ Represents annualized contractual or projected NOI to be received in cash divided by investment amounts.

Dispositions The following summarizes property dispositions completed during the year ended December 31, 2023 (dollars in thousands):

	Properties	Proceeds ⁽¹⁾	Book Amount ⁽²⁾	Capitalization Rates ⁽³⁾
Seniors Housing Operating	23	\$ 453,983	\$ 385,128	2.1%
Triple-net	2	6,954	6,391	5.0%
Totals	25	\$ 460,937	\$ 391,519	2.1%

⁽¹⁾ Represents pro rata proceeds received upon disposition including non-cash consideration.

⁽²⁾ Represents carrying value of net real estate assets at time of disposition. See Note 5 to our consolidated financial statements for additional information.

⁽³⁾ Represents annualized contractual income that was being received in cash at date of disposition divided by stated purchase price. Excludes properties sold that were recent development conversions.

Strategic Dissolution of Revera Joint Ventures During 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera while simultaneously selling interest in 31 properties to Revera. See Note 5 to our consolidated financial statement for further information regarding the transaction.

Dividends Our Board of Directors declared a cash dividend for the quarter ended December 31, 2023 of \$0.61 per share. On March 7, 2024, we will pay our 211th consecutive quarterly cash dividend to stockholders of record on February 23, 2024.

Key Performance Indicators, Trends and Uncertainties

We utilize several key performance indicators to evaluate the various aspects of our business. These indicators are discussed below and relate to operating performance, credit strength and concentration risk. Management uses these key performance indicators to facilitate internal and external comparisons to our historical operating results, in making operating decisions, and for budget planning purposes.

Operating Performance We believe that net income and net income attributable to common stockholders ("NICS") per the Consolidated Statements of Comprehensive Income are the most appropriate earnings measures. Other useful supplemental measures of our operating performance include funds from operations attributable to common stockholders ("FFO") and consolidated net operating income ("NOI"); however, these supplemental measures are not defined by U.S. GAAP. Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliations. These earnings measures are widely used by investors and analysts in the valuation, comparison and investment recommendations of companies.

The following table reflects the recent historical trends of our operating performance measures for the periods presented (in thousands):

	Year Ended December 31,			
	2023	2022	2021	
Net income	\$ 358,139	\$ 160,568	\$ 374,479	
Net income attributable to common stockholders	340,094	141,214	336,138	
Funds from operations attributable to common stockholders	1,763,227	1,478,072	1,220,722	
Consolidated net operating income	2,690,219	2,301,845	1,967,553	

Credit Strength We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and restricted cash. The coverage ratios indicate our ability to service interest and fixed charges (interest and secured debt principal amortization). We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile.

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The coverage ratios are based on earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliation of these measures. Leverage ratios and coverage ratios are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table reflects the recent historical trends for our credit strength measures for the periods presented:

	Year Ended December 31,		
	2023	2022	2021
Net debt to book capitalization ratio	34.3%	39.5%	42.2%
Net debt to undepreciated book capitalization ratio	27.8%	32.1%	34.9%
Net debt to market capitalization ratio	20.9%	29.5%	25.9%
Interest coverage ratio	3.74x	3.73x	3.89x
Fixed charge coverage ratio	3.44x	3.37x	3.43x
Adjusted interest coverage ratio	3.95x	3.94x	3.89x
Adjusted fixed charge coverage ratio	3.64x	3.56x	3.43x

Concentration Risk We evaluate our concentration risk in terms of NOI by property mix, relationship mix and geographic mix. Concentration risk is a valuable measure in understanding what portion of our NOI could be at risk if certain sectors were to experience downturns. Property mix measures the portion of our NOI that relates to our various property types. Relationship mix measures the portion of our NOI that relates to our current top five relationships. Geographic mix measures the portion of our NOI that relates to our current top five states (or international countries).

The following table reflects our recent historical trends of concentration risk by NOI for the years indicated below:

	Year Ended December 31, ⁽¹⁾		
	2023	2022	2021
Property mix:			
Seniors Housing Operating	42%	41%	35%
Triple-net	38%	38%	43%
Outpatient Medical	20%	21%	22%
Relationship mix:			
Integra Healthcare Properties	8%	—%	—%
Sunrise Senior Living	6%	7%	10%
Cogir Management Corporation	4%	3%	2%
Avery Healthcare	4%	3%	4%
Oakmont Management Group	4%	2%	1%
Remaining	74%	85%	83%
Geographic mix:			
California	12%	14%	13%
United Kingdom	9%	10%	13%
Texas	8%	8%	8%
Canada	6%	6%	6%
Florida	6%	6%	4%
Remaining	59%	56%	56%

⁽¹⁾ Excludes our share of investments in unconsolidated entities and non-segment/corporate NOI. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount.

We evaluate our key performance indicators in conjunction with current expectations to determine if historical trends are indicative of future results. Our expected results may not be achieved and actual results may differ materially from our expectations. Factors that may cause actual results to differ from expected results are described in more detail in "Item 1 — Business — Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A — Risk Factors" and other sections of this Annual Report on Form 10-K. Management regularly monitors economic and other factors to develop strategic and tactical plans designed to improve performance and maximize our competitive position. Our ability to achieve our financial objectives is dependent upon our ability to effectively execute these plans and to appropriately respond to emerging economic and company-specific trends. Please refer to "Item 1 — Business," "Item 1A — Risk Factors" in this Annual Report on Form 10-K for further discussion of these risk factors.

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Corporate Governance

Maintaining investor confidence and trust is important in today's business environment. Our Board of Directors and management are strongly committed to policies and procedures that reflect the highest level of ethical business practices. Our corporate governance guidelines provide the framework for our business operations and emphasize our commitment to increase stockholder value while meeting all applicable legal requirements. These guidelines meet the listing standards adopted by the New York Stock Exchange and are available on the Internet at www.welltower.com/investors/governance. The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary sources of cash include resident fees and services, rent and interest receipts, interest earned on short-term deposits, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash. These sources and uses of cash are reflected in our Consolidated Statements of Cash Flows and are discussed in further detail below. The following is a summary of our sources and uses of cash flows for the periods presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2023	2022			2021					
Cash, cash equivalents and restricted cash at beginning of period	\$ 722,292	\$ 346,755	\$ 375,537	108 %	\$ 2,021,043	\$ (1,674,288)	-83 %	\$ (1,298,751)	-64 %	
Net cash provided from (used in):										
Operating activities	1,601,861	1,328,708	273,153	21 %	1,275,325	53,383	4 %	326,536	26 %	
Investing activities	(5,707,742)	(3,703,815)	(2,003,927)	54 %	(4,516,268)	812,453	-18 %	(1,191,474)	26 %	
Financing activities	5,448,647	2,761,277	2,687,370	97 %	1,567,664	1,193,613	76 %	3,880,983	248 %	
Effect of foreign currency translation	11,025	(10,633)	21,658	n/a	(1,009)	(9,624)	954 %	12,034	n/a	
Cash, cash equivalents and restricted cash at end of period	\$ 2,076,083	\$ 722,292	\$ 1,353,791	187 %	\$ 346,755	\$ 375,537	108 %	\$ 1,729,328	499 %	

Operating Activities Please see "Results of Operations" for discussion of net income fluctuations. For the years ended December 31, 2023, 2022 and 2021, cash flows provided from operations exceeded cash distributions to stockholders.

Investing Activities The changes in net cash provided from/used in investing activities are primarily attributable to net changes in real property investments and dispositions, loans receivable and investments in unconsolidated entities, which are summarized above in "Key Transactions." Please refer to Notes 3 and 5 of our consolidated financial statements for additional information. The following is a summary of cash used in non-acquisition capital improvement activities for the periods presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2023	2022			2021					
New development	\$ 1,014,935	\$ 631,737	\$ 383,198	61 %	\$ 417,963	\$ 213,774	51 %	\$ 596,972	143 %	
Recurring capital expenditures, tenant improvements and lease commissions	199,359	198,576	783	— %	99,994	98,582	99 %	99,365	99 %	
Renovations, redevelopments and other capital improvements	318,323	277,440	40,883	15 %	182,594	94,846	52 %	135,729	74 %	
Total	\$ 1,532,617	\$ 1,107,753	\$ 424,864	38 %	\$ 700,551	\$ 407,202	58 %	\$ 832,066	119 %	

The change in new development is primarily due to the number and size of construction projects on-going during the relevant periods. Renovations, redevelopments and other capital improvements include expenditures to maximize property value, increase net operating income, maintain a market-competitive position and/or achieve property stabilization. The increase in overall development and recurring capital expenditures, tenant improvements and lease commissions is due primarily to portfolio growth and increased spending after a contraction during the pandemic.

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Financing Activities The changes in net cash provided from/used in financing activities are primarily attributable to changes related to our long-term debt arrangements, the issuances of common stock and dividend payments which are summarized above in "Key Transactions." Please refer to Notes 10, 11 and 14 to our consolidated financial statements for additional information.

In April 2022, we closed on an amended \$5,200,000,000 unsecured credit facility, increasing our term loan capacity by \$500,000,000. In May 2023, we issued \$1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028. During the twelve months ended December 31, 2023, we issued \$385,115,000 of secured debt at a blended average interest rate of 5.13% and assumed \$428,578,000 of secured debt at a blended average interest rate of 6.42%. As of December 31, 2023, we have total near-term available liquidity of approximately \$6.1 billion.

Off-Balance Sheet Arrangements

At December 31, 2023, we had investments in unconsolidated entities with our ownership generally ranging from 10% to 95%. We use financial derivative instruments to hedge interest rate and foreign currency exchange rate exposure. At December 31, 2023, we had 23 outstanding letter of credit obligations. Please see Notes 8, 12 and 13 to our consolidated financial statements for additional information.

Contractual Obligations

The following table summarizes our payment requirements under contractual obligations as of December 31, 2023 (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	2024	2025-2026	2027-2028	Thereafter
Senior unsecured notes and term credit facilities: ⁽¹⁾					
U.S. Dollar senior unsecured notes	\$ 10,935,000	\$ 1,350,000	\$ 1,950,000	\$ 2,285,000	\$ 5,350,000
Canadian Dollar senior unsecured notes ⁽²⁾	227,239	—	—	227,239	—
Pounds Sterling senior unsecured notes ⁽²⁾	1,338,015	—	—	700,865	637,150
U.S. Dollar term credit facility	1,010,000	—	10,000	1,000,000	—
Canadian Dollar term credit facility ⁽²⁾	189,365	—	—	189,365	—
Secured debt: ^(1,2)					
Consolidated	2,222,445	400,258	584,321	317,637	920,229
Unconsolidated	1,111,216	229,175	557,721	139,840	184,480
Contractual interest obligations: ⁽³⁾					
Senior unsecured notes and term loans ⁽²⁾	3,741,633	528,777	908,731	673,248	1,630,877
Consolidated secured debt ⁽²⁾	454,513	99,336	123,873	95,763	135,541
Unconsolidated secured debt ⁽²⁾	124,597	38,003	30,965	14,199	41,430
Finance lease liabilities ⁽⁴⁾	391,388	5,547	8,010	7,939	369,892
Operating lease liabilities ⁽⁴⁾	951,398	19,329	35,437	32,785	863,847
Purchase obligations ⁽⁵⁾	2,171,304	1,923,419	244,794	2,561	530
Total contractual obligations	\$ 24,868,113	\$ 4,593,844	\$ 4,453,852	\$ 5,686,441	\$ 10,133,976

⁽¹⁾ Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the Consolidated Balance Sheets.

⁽²⁾ Based on foreign currency exchange rates in effect as of balance sheet date.

⁽³⁾ Based on variable interest rates in effect as of December 31, 2023.

⁽⁴⁾ See Note 6 to our consolidated financial statements for additional information.

⁽⁵⁾ See Note 13 to our consolidated financial statements for additional information.

Capital Structure

Please refer to "Credit Strength" above for a discussion of our leverage and coverage ratio trends. Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of December 31, 2023, we were in compliance in all material respects with the covenants under our debt agreements. None of our debt agreements contain provisions for acceleration which could be triggered by our debt ratings. However, under our primary unsecured credit facility, the ratings on our senior unsecured notes are used to determine the fees and interest charged. We plan to manage the company to maintain compliance with our debt covenants and with a capital structure consistent with our current profile. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse impact on our cost and availability of capital, which could have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

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On April 1, 2022, Welltower and Welltower OP jointly filed with the Securities and Exchange Commission (the "SEC") an open-ended automatic or "universal" shelf registration statement on Form S-3 (the "Shelf Form S-3") covering an indeterminate amount of future offerings of Welltower's debt securities, common stock, preferred stock, depository shares, guarantees of debt securities issued by Welltower OP, warrants and units and Welltower OP's debt securities and guarantees of debt securities issued by Welltower to replace Old Welltower's existing "universal" shelf registration statement filed with the SEC on May 4, 2021. On April 1, 2022, Welltower also filed with the SEC a registration statement in connection with its enhanced dividend reinvestment plan ("DRIP") under which it may issue up to 15,000,000 shares of common stock to replace Old Welltower's existing DRIP registration statement on Form S-3 filed with the SEC on May 4, 2021. On May 3, 2023, Welltower and Welltower OP filed post-effective amendment no. 1 to the Shelf Form S-3 pursuant to which Welltower OP expressly adopted the Shelf Form S-3 as its own registration statement following its statutory conversion from a corporation to a limited liability company. As of February 9, 2024, 15,000,000 shares of common stock remained available for issuance under the DRIP registration statement. On August 1, 2023, Welltower and Welltower OP entered into an equity distribution agreement (the "EDA") with (i) Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BOK Financial Securities, Inc., Capital One Securities Inc., Citigroup Global Markets Inc., Citizens JMP Securities, LLC, Comerica Securities, Inc., Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Fifth Third Securities, Inc., Goldman Sachs & Co. LLC, Jefferies LLC, J.P. Morgan Securities LLC, KeyBanc Capital Markets Inc., Loop Capital Markets LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Regions Securities LLC, Robert W. Baird & Co. Incorporated, Scotia Capital (USA) Inc., Synovus Securities, Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC as sales agents and forward sellers and (ii) the forward purchasers named therein relating to issuances, offers and sales from time to time of up to \$4,000,000,000 aggregate amount of common stock of Welltower (together with the existing master forward sale confirmations relating thereto, the "ATM Program"). The ATM Program also allows Welltower to enter into forward sale agreements. As of February 9, 2024, we had \$1,451,479,501 of remaining capacity under the ATM Program and there were no outstanding forward sale agreements. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowings under our unsecured revolving credit facility and commercial paper program.

In connection with the filing of the Shelf Form S-3, Welltower also filed with the SEC a prospectus supplement that will continue an offering that was previously covered by Old Welltower's prospectus supplement and the accompanying prospectus to the prior registration statement relating to the registration of up to 475,327 shares of common stock of Welltower Inc. (the "DownREIT II Shares") that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT II Units") of HCN G&L DownREIT II LLC, a Delaware limited liability company (the "DownREIT II"), tender such DownREIT II Units for redemption by the DownREIT II, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of Welltower (including its permitted successors and assigns, the "Managing Member"), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT II and to satisfy all or a portion of the redemption consideration by issuing DownREIT II Shares to the holders instead of or in addition to paying a cash amount. On July 22, 2022, Welltower filed with the SEC a prospectus supplement relating to the registration of up to 300,026 shares of common stock of Welltower Inc. that may be issued from time to time if, and to the extent that, certain holders of Class A Common Units (the "OP Units") of Welltower OP tender the OP Units for redemption by Welltower OP, and Welltower Inc. elects to assume the redemption obligations of Welltower OP and to satisfy all or a portion of the redemption consideration by issuing shares of its common stock to the holders instead of or in addition to paying a cash amount. On August 9, 2023, Welltower filed with the SEC a prospectus supplement relating to the registration of up to 13,559,535 shares of common stock of Welltower Inc. (the "Exchanged Shares") that may, under certain circumstances, be issuable upon exchange of 2.750% exchangeable senior notes due 2028 of Welltower OP and the resale from time to time by the recipients of the Exchanged Shares.

Supplemental Guarantor Information

Welltower OP has issued the unsecured notes described in Note 11 to our Consolidated Financial Statements. All unsecured notes are fully and unconditionally guaranteed by Welltower, and Welltower OP is 99.765% owned by Welltower as of December 31, 2023. Effective January 4, 2021, the SEC adopted amendments to the financial disclosure requirements applicable to registered debt offerings that include certain credit enhancements. We have adopted these new rules, which permits subsidiary issuers of obligations guaranteed by the parent to omit separate financial statements if the consolidated financial statements of the parent company have been filed, the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and the security is guaranteed fully and unconditionally by the parent. Accordingly, separate consolidated financial statements of Welltower OP have not been presented. Furthermore, Welltower and Welltower OP have no material assets, liabilities, or operations other than financing activities and their investments in non-guarantor subsidiaries. Therefore, we meet the criteria in Rule 13-01 of Regulation S-X to omit the summarized financial information from our disclosures.

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Results of Operations

Summary

Our primary sources of revenue include resident fees and services, rent, interest income and interest earned on short-term deposits. Our primary expenses include property operating expenses, depreciation and amortization, interest expense, general and administrative expenses, and other expenses. We evaluate our business and make resource allocations on our three business segments: Seniors Housing Operating, Triple-net and Outpatient Medical. The primary performance measures for our properties are NOI and same store NOI ("SSNOI") and other supplemental measures include FFO and Adjusted EBITDA, which are further discussed below. Please see Non-GAAP Financial Measures for additional information and reconciliations related to these supplemental measures.

This section of this Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

The following is a summary of our results of operations for the periods presented (dollars in thousands, except per share amounts):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	Amount	%	December 31,	Amount	%	Amount	%	
	2023	2022			2021					
Net income	\$ 358,139	\$ 160,568	\$ 197,571	123 %	\$ 374,479	\$ (213,911)	-57 %	\$ (16,340)	-4 %	
NICS	340,094	141,214	198,880	141 %	336,138	(194,924)	-58 %	3,956	1 %	
FFO	1,763,227	1,478,072	285,155	19 %	1,220,722	257,350	21 %	542,505	44 %	
EBITDA	2,373,450	2,007,702	365,748	18 %	1,910,611	97,091	5 %	462,839	24 %	
Adjusted EBITDA	2,509,003	2,122,399	386,604	18 %	1,913,546	208,853	11 %	595,457	31 %	
NOI	2,690,219	2,301,845	388,374	17 %	1,967,553	334,292	17 %	722,666	37 %	
Per share data (fully diluted):										
Net income attributable to common stockholders ⁽¹⁾	\$ 0.66	\$ 0.30	\$ 0.36	120 %	\$ 0.78	\$ (0.48)	-62 %	\$ (0.12)	-15 %	
Funds from operations attributable to common stockholders	\$ 3.40	\$ 3.18	\$ 0.22	7 %	\$ 2.86	\$ 0.32	11 %	\$ 0.54	19 %	
Interest coverage ratio	3.74x	3.73x	0.01x	— %	3.89x	-0.16x	-4 %	-0.15x	-4 %	
Fixed charge coverage ratio	3.44x	3.37x	0.07x	2 %	3.43x	-0.06x	-2 %	0.01x	— %	
Adjusted interest coverage ratio	3.95x	3.94x	0.01x	— %	3.89x	0.05x	1 %	0.06x	2 %	
Adjusted fixed charge coverage ratio	3.64x	3.56x	0.08x	2 %	3.43x	0.13x	4 %	0.21x	6 %	

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

The following table represents the changes in outstanding common stock for the period from January 1, 2021 to December 31, 2023 (in thousands):

	Year Ended December 31,			Totals
	December 31, 2023	December 31, 2022	December 31, 2021	
Beginning balance	490,508	447,239	417,401	417,401
Redemption of OP Units and DownREIT Units	336	5	—	341
Option exercises	4	2	—	6
ATM Program issuances	53,301	43,093	29,667	126,061
Equity issuances	20,125	—	—	20,125
Other, net	(33)	169	171	307
Ending balance	564,241	490,508	447,239	564,241
Weighted average number of shares outstanding:				
Basic	515,629	462,185	424,976	
Diluted	518,701	465,158	426,841	

A portion of our earnings are derived primarily from long-term investments with predictable rates of return. These investments are mainly financed with a combination of equity, senior unsecured notes, secured debt and borrowings under our primary unsecured credit facility. During inflationary periods, which generally are accompanied by rising interest rates, our ability to grow may be adversely affected because the yield on new investments may increase at a slower rate than new borrowing costs.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Seniors Housing Operating

The following is a summary of our results of operations for the Seniors Housing Operating segment for the years presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,			December 31,					
	2023	2022	\$	%	2021	\$	%	\$	%	
Revenues:										
Resident fees and services	\$ 4,753,804	\$ 4,173,711	\$ 580,093	14 %	\$ 3,197,223	\$ 976,488	31 %	\$ 1,556,581	49 %	
Interest income	10,096	7,867	2,229	28 %	4,231	3,636	86 %	5,865	139 %	
Other income	9,743	63,839	(54,096)	-85 %	11,796	52,043	441 %	(2,053)	-17 %	
Total revenues	4,773,643	4,245,417	528,226	12 %	3,213,250	1,032,167	32 %	1,560,393	49 %	
Property operating expenses	3,655,508	3,292,045	363,463	11 %	2,529,344	762,701	30 %	1,126,164	45 %	
NOI ⁽¹⁾	1,118,135	953,372	164,763	17 %	683,906	269,466	39 %	434,229	63 %	
Other expenses:										
Depreciation and amortization	906,771	854,800	51,971	6 %	593,565	261,235	44 %	313,206	53 %	
Interest expense	56,509	34,833	21,676	62 %	39,327	(4,494)	-11 %	17,182	44 %	
Loss (gain) on extinguishment of debt, net	—	386	(386)	-100 %	(2,628)	3,014	115 %	2,628	100 %	
Provision for loan losses, net	3,197	1,039	2,158	208 %	394	645	164 %	2,803	711 %	
Impairment of assets	24,999	13,146	11,853	90 %	22,317	(9,171)	-41 %	2,682	12 %	
Other expenses	96,972	66,026	30,946	47 %	27,132	38,894	143 %	69,840	257 %	
	1,088,448	970,230	118,218	12 %	680,107	290,123	43 %	408,341	60 %	
Income (loss) from continuing operations before income taxes and other items	29,687	(16,858)	46,545	276 %	3,799	(20,657)	-544 %	25,888	681 %	
Income (loss) from unconsolidated entities	(69,835)	(53,318)	(16,517)	-31 %	(39,225)	(14,093)	-36 %	(30,610)	-78 %	
Gain (loss) on real estate dispositions, net	68,290	5,794	62,496	n/a	6,146	(352)	-6 %	62,144	n/a	
Income (loss) from continuing operations	28,142	(64,382)	92,524	144 %	(29,280)	(35,102)	-120 %	57,422	196 %	
Net income (loss)	28,142	(64,382)	92,524	144 %	(29,280)	(35,102)	-120 %	57,422	196 %	
Less: Net income (loss) attributable to noncontrolling interests	(6,391)	(16,258)	9,867	61 %	(2,224)	(14,034)	-631 %	(4,167)	-187 %	
Net income (loss) attributable to common stockholders	\$ 34,533	\$ (48,124)	\$ 82,657	172 %	\$ (27,056)	\$ (21,068)	-78 %	\$ 61,589	228 %	

⁽¹⁾ See Non-GAAP Financial Measures below.

Resident fees and services and property operating expenses for the year ended December 31, 2023 increased compared to the prior year primarily due to acquisitions outpacing dispositions. Additionally, our Seniors Housing Operating revenues are dependent on occupancy and rate growth, both of which have continued to steadily increase during 2023. Average occupancy is as follows:

	Three Months Ended ⁽¹⁾			
	March 31,	June 30,	September 30,	December 31,
2022	76.3%	77.1%	78.0%	78.3%
2023	79.0%	79.6%	80.7%	82.2%

⁽¹⁾ Average occupancy includes our minority ownership share related to unconsolidated properties and excludes the minority partners' noncontrolling ownership share related to consolidated properties. Also excludes land parcels and properties under development.

Effective on April 1, 2022, our leasehold interest relating to the master lease with National Health Investors, Inc. ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. The lease termination was part of an agreement to resolve outstanding litigation with NHI. In conjunction with the agreement, a wholly owned subsidiary and the lessee on the master lease agreed to release \$6,883,000 of cash to the landlord, which represents the net cash flow generated from the properties since we assumed the leasehold interest. Additionally, in connection with the lease termination, during the year ended December 31, 2022 we recognized \$58,621,000 in other income on our Consolidated Statements of Comprehensive Income, from the derecognition of the right of use asset and related lease liability.

We received government grants under the CARES Act primarily to cover increased expenses and lost revenue during the COVID-19 pandemic, as well as under similar programs in the U.K. and Canada. We recognized \$21,220,000 and \$38,607,000 during the years ended December 31, 2023 and 2022, respectively. These grants represent a reduction to property operating expenses in our Consolidated Statements of Comprehensive Income.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a summary of our SSNOI at Welltower's share for the Seniors Housing Operating segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2023	December 31, 2022	\$	%	December 31, 2023	December 31, 2022	\$	%
SSNOI ⁽¹⁾	\$ 236,993	\$ 193,149	\$ 43,844	22.7 %	\$ 788,605	\$ 654,320	\$ 134,285	20.5 %

⁽¹⁾ Relates to 647 properties for the QTD Pool and 556 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

During the year ended December 31, 2023, we recorded impairment charges of \$14,315,000 related to four held for sale properties for which the carrying value exceeded the estimated fair value less costs to sell and \$10,684,000 related to three held for use properties for which the carrying value exceeded the estimated fair value. During the year ended December 31, 2022, we recorded impairment charges of \$13,146,000 related to one held for sale property. Transaction costs related to asset acquisitions are capitalized as a component of the purchase price. The fluctuation in other expenses is primarily due to the timing of noncapitalizable transaction costs associated with acquisitions and operator transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

Depreciation and amortization fluctuates as a result of acquisitions, disposition and transitions. To the extent we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

During the year ended December 31, 2023, we completed ten Seniors Housing Operating construction conversions representing \$463,644,000 or \$306,846 per unit. The following is a summary of our consolidated Seniors Housing Operating construction projects in process, excluding expansions (dollars in thousands):

As of December 31, 2023				
Expected Conversion Year ⁽¹⁾	Properties	Units/Beds	Anticipated Remaining Funding	Construction in Progress Balance
2024	21	3,389	\$ 296,186	\$ 756,968
2025	6	1,423	299,647	175,867
TBD ⁽²⁾	10			92,752
Total	37			\$ 1,025,587

⁽¹⁾ Properties expected to be converted in phases over multiple years are reflected in the last expected year.

⁽²⁾ Represents projects for which a final budget or expected conversion date are not yet known.

Interest expense represents secured debt interest expense, which fluctuates based on the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The fluctuations in loss (gain) on extinguishment of debt is primarily attributable to the volume of extinguishments and terms of the related secured debt.

The following is a summary of our Seniors Housing Operating segment property secured debt principal activity (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 1,701,939	\$ 1,599,522	\$ 1,706,189
Debt transferred in	—	32,478	—
Debt issued	385,115	113,183	23,569
Debt assumed	381,837	288,522	—
Debt extinguished	(486,825)	(227,910)	(77,959)
Principal payments	(47,672)	(47,399)	(50,603)
Foreign currency	20,654	(56,457)	(1,674)
Ending balance	\$ 1,955,048	\$ 1,701,939	\$ 1,599,522
Ending weighted average interest	4.68 %	4.32 %	2.81 %

The majority of our Seniors Housing Operating properties are formed through partnership interests. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. Income from unconsolidated entities during the year ended December 31, 2023 includes other than temporary impairment charges of \$35,293,000, primarily related to unconsolidated management companies. Net income attributable to noncontrolling interests represents our partners' share of net income (loss) related to joint ventures.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Triple-net

The following is a summary of our results of operations for the Triple-net segment for the years presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2023	2022			2021					
Revenues:										
Rental income	\$ 814,751	\$ 782,329	\$ 32,422	4 %	\$ 761,441	\$ 20,888	3 %	\$ 53,310	7 %	
Interest income	157,592	142,402	15,190	11 %	124,540	17,862	14 %	33,052	27 %	
Other income	70,986	6,776	64,210	948 %	4,603	2,173	47 %	66,383	n/a	
Total revenues	1,043,329	931,507	111,822	12 %	890,584	40,923	5 %	152,745	17 %	
Property operating expenses	42,194	44,483	(2,289)	-5 %	49,462	(4,979)	-10 %	(7,268)	-15 %	
NOI ⁽¹⁾	1,001,135	887,024	114,111	13 %	841,122	45,902	5 %	160,013	19 %	
Other expenses:										
Depreciation and amortization	231,028	215,887	15,141	7 %	220,699	(4,812)	-2 %	10,329	5 %	
Interest expense	(65)	963	(1,028)	-107 %	6,376	(5,413)	-85 %	(6,441)	-101 %	
Loss (gain) on derivatives and financial instruments, net	(2,120)	8,334	(10,454)	-125 %	(7,333)	15,667	214 %	5,213	71 %	
Loss (gain) on extinguishment of debt, net	—	80	(80)	-100 %	—	80	n/a	—	n/a	
Provision for loan losses, net	6,348	9,289	(2,941)	-32 %	10,339	(1,050)	-10 %	(3,991)	-39 %	
Impairment of assets	11,098	3,595	7,503	209 %	26,579	(22,984)	-86 %	(15,481)	-58 %	
Other expenses	5,060	13,043	(7,983)	-61 %	4,189	8,854	211 %	871	21 %	
	251,349	251,191	158	—%	260,849	(9,658)	-4 %	(9,500)	-4 %	
Income (loss) from continuing operations before income taxes and other items	749,786	635,833	113,953	18 %	580,273	55,560	10 %	169,513	29 %	
Income (loss) from unconsolidated entities	16,700	34,495	(17,795)	-52 %	20,687	13,808	67 %	(3,987)	-19 %	
Gain (loss) on real estate dispositions, net	259	16,648	(16,389)	-98 %	135,881	(119,233)	-88 %	(135,622)	-100 %	
Income (loss) from continuing operations	766,745	686,976	79,769	12 %	736,841	(49,865)	-7 %	29,904	4 %	
Net income (loss)	766,745	686,976	79,769	12 %	736,841	(49,865)	-7 %	29,904	4 %	
Less: Net income (loss) attributable to noncontrolling interests	23,698	28,958	(5,260)	-18 %	35,653	(6,695)	-19 %	(11,955)	-34 %	
Net income (loss) attributable to common stockholders	\$ 743,047	\$ 658,018	\$ 85,029	13 %	\$ 701,188	\$ (43,170)	-6 %	\$ 41,859	6 %	

⁽¹⁾ See Non-GAAP Financial Measures below.

Rental income has increased primarily due to acquisitions and annual rent increases. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or changes in the gross operating revenues of the tenant's properties. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If gross operating revenues at our facilities and/or the Consumer Price Index do not increase, a portion of our revenues may not continue to increase. For the year ended December 31, 2023, we had 87 leases with rental rate increases ranging from 0.58% to 549.38% in our Triple-net portfolio.

These increases are partially offset by the write off of straight-line rent receivable balances of \$16,642,000 during the year ended December 31, 2023, which relate to leases for which the collection of substantially all contractual lease payments was no longer deemed probable.

The increase in interest income during the year ended December 31, 2023 is primarily driven by increased advances on loans receivable during the year.

As part of the substantial exit of the Genesis HealthCare operating relationship, which we disclosed on March 2, 2021, we transitioned the sublease of a portfolio of seven facilities from Genesis HealthCare to Complete Care Management in the second quarter of 2021. As part of the March 2021 transaction, we entered into a forward sale agreement for the seven properties valued at \$182,618,000, which was expected to close when the Welltower-held purchase option became exercisable. As of March 31, 2023, the right of use assets related to the properties were \$115,359,000 and were reflected as held for sale with the corresponding lease liabilities of \$66,530,000 on our Consolidated Balance Sheet. On May 1, 2023, we executed a series of transactions that included the assignment of the leasehold interest to a newly formed tri-party unconsolidated joint venture with Aurora Health Network, Peace Capital (an affiliate of Complete Care Management) and us, and culminated with the closing of the purchase option by the joint venture. The transactions resulted in net cash proceeds to us of \$104,240,000 after our retained interest of \$11,571,000 in the joint venture and a gain from the loss of control and derecognition of the leasehold interest of \$65,485,000, which we recorded in other income within our Consolidated Statements of Comprehensive Income during the year ended December 31, 2023.

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The following is a summary of our SSNOI at Welltower's share for the Triple-net segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2023	December 31, 2022	\$	%	December 31, 2023	December 31, 2022	\$	%
SSNOI ⁽¹⁾	\$ 110,219	\$ 107,627	\$ 2,592	2.4 %	\$ 436,238	\$ 426,557	\$ 9,681	2.3 %

⁽¹⁾ Relates to 364 properties for the QTD Pool and 364 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

Depreciation and amortization fluctuates as a result of the acquisitions, dispositions and segment transitions of Triple-net properties. To the extent we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

During the year ended December 31, 2023, we recorded impairment charges of \$1,086,000 for one held for sale property for which the carrying value exceeded the estimated fair value less costs to sell and \$10,012,000 related to two held for use properties for which the carrying value exceeded the estimated fair value. During the year ended December 31, 2022, we recorded impairment charges of \$3,595,000 related to two held for use properties. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs from acquisitions and segment transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

During the year ended December 31, 2023, there was one Triple-net construction project completed representing \$141,142,000 or \$738,963 per unit.

Interest expense represents secured debt interest expense and related fees. The change in secured debt interest expense is due to the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The following is a summary of our Triple-net secured debt principal activity for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 39,179	\$ 72,536	\$ 123,652
Debt assumed	—	39,574	—
Debt extinguished	—	(39,574)	(46,402)
Debt transferred out	—	(32,478)	—
Principal payments	(919)	(879)	(4,679)
Foreign currency	—	—	(35)
Ending balance	\$ 38,260	\$ 39,179	\$ 72,536
Ending weighted average interest	4.39 %	4.39 %	4.57 %

Loss (gain) on derivatives and financial instruments, net is primarily attributable to the mark-to-market of the equity warrants received as part of the HC-One transactions that closed in 2021 and 2023.

A portion of our Triple-net properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The increase in income from unconsolidated entities during the year ended December 31, 2022 is primarily related to the write off of a right of use asset and related lease liability on an unconsolidated joint venture that was restructured during the year. Net income attributable to noncontrolling interests represents our partners' share of net income relating to those partnerships where we are the controlling partner.

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Outpatient Medical

The following is a summary of our results of operations for the Outpatient Medical segment for the periods presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31,	December 31,	\$	%	December 31,	\$	%	\$	%	
	2023	2022			2021					
Revenues:										
Rental income	\$ 741,322	\$ 669,457	\$ 71,865	11 %	\$ 613,254	\$ 56,203	9 %	\$ 128,068	21 %	
Interest income	666	302	364	121 %	8,792	(8,490)	-97 %	(8,126)	-92 %	
Other income	9,167	8,998	169	2 %	13,243	(4,245)	-32 %	(4,076)	-31 %	
Total revenues	751,155	678,757	72,398	11 %	635,289	43,468	7 %	115,866	18 %	
Property operating expenses	231,956	205,997	25,959	13 %	186,939	19,058	10 %	45,017	24 %	
NOI ⁽¹⁾	519,199	472,760	46,439	10 %	448,350	24,410	5 %	70,849	16 %	
Other expenses:										
Depreciation and amortization	263,302	239,681	23,621	10 %	223,302	16,379	7 %	40,000	18 %	
Interest expense	10,543	18,078	(7,535)	-42 %	17,506	572	3 %	(6,963)	-40 %	
Loss (gain) on extinguishment of debt, net	7	15	(8)	-53 %	(4)	19	475 %	11	275 %	
Provision for loan losses, net	264	(8)	272	n/a	(3,463)	3,455	100 %	3,727	108 %	
Impairment of assets	—	761	(761)	-100 %	2,211	(1,450)	-66 %	(2,211)	-100 %	
Other expenses	2,289	2,537	(248)	-10 %	2,523	14	1 %	(234)	-9 %	
	276,405	261,064	15,341	6 %	242,075	18,989	8 %	34,330	14 %	
Income (loss) from continuing operations before income taxes and other item	242,794	211,696	31,098	15 %	206,275	5,421	3 %	36,519	18 %	
Income (loss) from unconsolidated entities	(307)	(2,467)	2,160	88 %	(4,395)	1,928	44 %	4,088	93 %	
Gain (loss) on real estate dispositions, net	(651)	(6,399)	5,748	90 %	93,348	(99,747)	-107 %	(93,999)	-101 %	
Income (loss) from continuing operations	241,836	202,830	39,006	19 %	295,228	(92,398)	-31 %	(53,392)	-18 %	
Net income (loss)	241,836	202,830	39,006	19 %	295,228	(92,398)	-31 %	(53,392)	-18 %	
Less: Net income (loss) attributable to noncontrolling interests	1,910	7,180	(5,270)	-73 %	4,916	2,264	46 %	(3,006)	-61 %	
Net income (loss) attributable to common stockholders	\$ 239,926	\$ 195,650	\$ 44,276	23 %	\$ 290,312	\$ (94,662)	-33 %	\$ (50,386)	-17 %	

⁽¹⁾ See Non-GAAP Financial Measures below.

Rental income has increased due primarily to acquisitions and construction conversions that occurred during 2022 and 2023. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the Consumer Price Index does not increase, a portion of our revenues may not continue to increase. Our leases could renew above or below current rental rates, resulting in an increase or decrease in rental income. For the year ended December 31, 2023, our consolidated Outpatient Medical portfolio signed 512,694 square feet of new leases and 2,255,492 square feet of renewals. The weighted-average term of these leases was seven years, with a rate of \$37.52 per square foot and tenant improvement and lease commission costs of \$28.00 per square foot. Substantially all of these leases contain an annual fixed or contingent escalation rent structure ranging from 1.0% to 28.0%.

The fluctuation in property operating expenses and depreciation and amortization are primarily attributable to acquisitions and construction conversions that occurred during 2022 and 2023. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly.

The following is a summary of our SSNOI at Welltower share for the Outpatient Medical segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Year Ended		Change	
	December 31, 2023	December 31, 2022	\$	%	December 31, 2023	December 31, 2022	\$	%
SSNOI ⁽¹⁾	\$ 119,706	\$ 115,180	\$ 4,526	3.9 %	\$ 451,959	\$ 441,664	\$ 10,295	2.3 %

⁽¹⁾ Relates to 377 properties for the QTD Pool and 366 properties for the YTD Pool. Please see Non-GAAP Financial Measures for additional information and reconciliations.

During the year ended December 31, 2023, no impairment charge was recorded. During the year ended December 31, 2022, we recognized an impairment charge of \$761,000 related to one held for use property. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs. Changes in gains/losses on sales of properties are related to volume of property sales and the sales prices.

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During the year ended December 31, 2023, we completed four Outpatient Medical construction conversions representing \$190,770,000 or \$582 per square foot. The following is a summary of our consolidated Outpatient Medical construction projects in process, excluding expansions (dollars in thousands):

As of December 31, 2023				
Expected Conversion Year	Properties	Square Feet	Anticipated Remaining Funding	Construction in Progress Balance
2024	10	788,925	\$ 277,333	\$ 174,476
2025	2	149,290	93,663	7,249
TBD ⁽¹⁾	1			33,369
Total	13			\$ 215,094

⁽¹⁾ Represents projects for which a final budget or expected conversion date are not yet known.

Total interest expense represents secured debt interest expense. The change in secured debt interest expense is primarily due to the net effect and timing of assumptions, extinguishments and principal amortizations. The following is a summary of our Outpatient Medical secured debt principal activity (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 388,836	\$ 530,254	\$ 548,229
Debt assumed	46,741	—	—
Debt extinguished	(200,955)	(131,582)	(7,670)
Principal payments	(5,485)	(9,836)	(10,305)
Ending balance	\$ 229,137	\$ 388,836	\$ 530,254
Ending weighted average interest	5.42 %	4.38 %	3.49 %

A portion of our Outpatient Medical properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. Net income attributable to noncontrolling interests represents our partners' share of net income or loss relating to those partnerships where we are the controlling partner.

Non-Segment/Corporate

The following is a summary of our results of operations for the Non-Segment/Corporate activities for the periods presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31, 2023	December 31, 2022	\$	%	December 31, 2021	\$	%	\$	%	
Revenues:										
Other income	\$ 69,868	\$ 4,934	\$ 64,934	n/a	\$ 2,992	\$ 1,942	65 %	\$ 66,876	n/a	
Total revenues	69,868	4,934	64,934	n/a	2,992	1,942	65 %	66,876	n/a	
Property operating expenses	18,118	16,245	1,873	12 %	8,817	7,428	84 %	9,301	105 %	
NOI ⁽¹⁾	51,750	(11,311)	63,061	558 %	(5,825)	(5,486)	-94 %	57,575	988 %	
Other expenses:										
Interest expense	540,859	475,645	65,214	14 %	426,644	49,001	11 %	114,215	27 %	
General and administrative expenses	179,091	150,390	28,701	19 %	126,727	23,663	19 %	52,364	41 %	
Loss (gain) on extinguishments of debt, net	—	199	(199)	-100 %	52,506	(52,307)	-100 %	(52,506)	-100 %	
Other expenses	4,020	20,064	(16,044)	-80 %	7,895	12,169	154 %	(3,875)	-49 %	
Total expenses	723,970	646,298	77,672	12 %	613,772	32,526	5 %	110,198	18 %	
Loss from continuing operations before income taxes and other items	(672,220)	(657,609)	(14,611)	-2 %	(619,597)	(38,012)	-6 %	(52,623)	-8 %	
Income tax (expense) benefit	(6,364)	(7,247)	883	12 %	(8,713)	1,466	17 %	2,349	27 %	
Loss from continuing operations	(678,584)	(664,856)	(13,728)	-2 %	(628,310)	(36,546)	-6 %	(50,274)	-8 %	
Net income (loss)	(678,584)	(664,856)	(13,728)	-2 %	(628,310)	(36,546)	-6 %	(50,274)	-8 %	
Less: Net income (loss) attributable to noncontrolling interests	(1,172)	(526)	(646)	-123 %	(4)	(522)	n/a	(1,168)	n/a	
Net loss attributable to common stockholders	\$ (677,412)	\$ (664,330)	\$ (13,082)	-2 %	\$ (628,306)	\$ (36,024)	-6 %	\$ (49,106)	-8 %	

⁽¹⁾ See Non-GAAP Financial Measures below.

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The increase in other income for the year ended December 31, 2023 is primarily due to interest earned on deposits. Property operating expenses represent insurance costs related to our captive insurance company, which acts as a direct insurer of property level insurance coverage for our portfolio.

The following is a summary of our Non-Segment/Corporate interest expense for the periods presented (dollars in thousands):

	Year Ended		One Year Change		Year Ended		One Year Change		Two Year Change	
	December 31, 2023	December 31, 2022	\$	%	December 31, 2021	\$	%	\$	%	
Senior unsecured notes	\$ 508,681	\$ 436,185	\$ 72,496	17 %	\$ 401,247	\$ 34,938	9 %	\$ 107,434	27 %	
Unsecured credit facility and commercial paper program	6,977	19,576	(12,599)	-64 %	6,759	12,817	190 %	218	3 %	
Loan expense	25,201	19,884	5,317	27 %	18,638	1,246	7 %	6,563	35 %	
Totals	\$ 540,859	\$ 475,645	\$ 65,214	14 %	\$ 426,644	\$ 49,001	11 %	\$ 114,215	27 %	

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments, as well as the movement in foreign exchange rates and related hedge activity. Please refer to Note 11 to the consolidated financial statements for additional information. The change in interest expense on our unsecured revolving credit facility and commercial paper program is due primarily to the net effect and timing of draws, paydowns and variable interest rate changes. Please refer to Note 10 of our consolidated financial statements for additional information regarding our unsecured revolving credit facility and commercial paper program. Loan expenses represent the amortization of costs incurred in connection with senior unsecured notes issuances.

General and administrative expenses as a percentage of consolidated revenues for the years ended December 31, 2023, 2022 and 2021 were 2.70%, 2.57% and 2.67%, respectively. The increase during the year ended December 31, 2023 is primarily driven by compensation costs associated with increased employee headcount. Other expenses includes non-capitalizable legal expenses, including related to our umbrella partnership REIT reorganization during 2022. The provision for income taxes primarily relates to state taxes, foreign taxes and taxes based on income generated by entities that are structured as taxable REIT subsidiaries.

Other

Non-GAAP Financial Measures

We believe that net income and net income attributable to common stockholders, as defined by U.S. GAAP, are the most appropriate earnings measurements. However, we consider FFO, NOI, SSNOI, EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created funds from operations attributable to common stockholders ("FFO") as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means NICS, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

NOI is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to managers, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent general overhead costs that are unrelated to property operations and unallocable to the properties. These expenses include, but are not limited to, payroll and benefits related to corporate employees, professional services, office expenses and depreciation of corporate fixed assets. Same store NOI ("SSNOI") is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. We believe the drivers of property level NOI for both consolidated properties and unconsolidated properties are generally the same and therefore, we evaluate SSNOI based on our ownership interest in each property ("Welltower Share"). To arrive at Welltower's Share, NOI is adjusted by adding our minority ownership share related to unconsolidated properties and by subtracting the minority partners' noncontrolling ownership interests for consolidated properties. We do not control investments in unconsolidated properties and while we consider disclosures at Welltower Share to be useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in SSNOI five full quarters or eight full quarters after acquisition or being placed into service for the QTD Pool and the YTD Pool, respectively. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the respective periods are excluded from SSNOI. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property

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where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from SSNOI until five full quarters or eight full quarters post completion of the redevelopment for the QTD Pool and YTD Pool, respectively. Properties undergoing operator transitions and/or segment transitions are also excluded from SSNOI until five full quarters or eight full quarters post completion of the transition for the QTD Pool and YTD Pool, respectively. In addition, properties significantly impacted by force majeure, acts of God, or other extraordinary adverse events are excluded from SSNOI until five full quarters or eight full quarters after the properties are placed back into service for the QTD Pool and YTD Pool, respectively. SSNOI excludes non-cash NOI and includes adjustments to present consistent ownership percentages and to translate Canadian properties and U.K. properties using a consistent exchange rate. We believe NOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

EBITDA is defined as earnings (net income) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/loss/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, other impairment charges and other adjustments as deemed appropriate. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest and secured debt principal amortization. Covenants in our unsecured senior notes and primary credit facility contain financial ratios based on a definition of EBITDA and Adjusted EBITDA that is specific to those agreements. Our leverage ratios are defined as the proportion of net debt to total capitalization and include book capitalization, un depreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Un depreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Management uses these financial measures to facilitate internal and external comparisons to our historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management. None of our supplemental measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies.

The table below reflects the reconciliation of FFO to NICS, the most directly comparable U.S. GAAP measure, for the periods presented. Noncontrolling interest and unconsolidated entity amounts represent adjustments to reflect our share of depreciation and amortization, gains/loss on real estate dispositions and impairment of assets. Amounts are in thousands except for per share data.

	Year Ended December 31,		
	2023	2022	2021
FFO Reconciliation:			
Net income attributable to common stockholders	\$ 340,094	\$ 141,214	\$ 336,138
Depreciation and amortization	1,401,101	1,310,368	1,037,566
Impairment of assets	36,097	17,502	51,107
Loss (gain) on real estate dispositions, net	(67,898)	(16,043)	(235,375)
Noncontrolling interests	(46,393)	(56,529)	(54,190)
Unconsolidated entities	100,226	81,560	85,476
Funds from operations attributable to common stockholders	\$ 1,763,227	\$ 1,478,072	\$ 1,220,722
Average diluted shares outstanding:	518,701	465,158	426,841
Per diluted share data:			
Net income attributable to common stockholders ⁽¹⁾	\$ 0.66	\$ 0.30	\$ 0.78
Funds from operations attributable to common stockholders	\$ 3.40	\$ 3.18	\$ 2.86

(1) Includes adjustment to the numerator for income (loss) attributable to OP Unitholders.

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The tables below reflects the reconciliation of consolidated NOI to net income, the most directly comparable U.S. GAAP measure, for the years presented (dollars in thousands):

NOI Reconciliation:	Year Ended December 31,		
	2023	2022	2021
Net income (loss)	\$ 358,139	\$ 160,568	\$ 374,479
Loss (gain) on real estate dispositions, net	(67,898)	(16,043)	(235,375)
Loss (income) from unconsolidated entities	53,442	21,290	22,933
Income tax expense (benefit)	6,364	7,247	8,713
Other expenses	108,341	101,670	41,739
Impairment of assets	36,097	17,502	51,107
Provision for loan losses, net	9,809	10,320	7,270
Loss (gain) on extinguishment of debt, net	7	680	49,874
Loss (gain) on derivatives and financial instruments, net	(2,120)	8,334	(7,333)
General and administrative expenses	179,091	150,390	126,727
Depreciation and amortization	1,401,101	1,310,368	1,037,566
Interest expense	607,846	529,519	489,853
Consolidated net operating income (NOI)	\$ 2,690,219	\$ 2,301,845	\$ 1,967,553
NOI by segment:			
Seniors Housing Operating	\$ 1,118,135	\$ 953,372	\$ 683,906
Triple-net	1,001,135	887,024	841,122
Outpatient Medical	519,199	472,760	448,350
Non-segment/corporate	51,750	(11,311)	(5,825)
Total NOI	\$ 2,690,219	\$ 2,301,845	\$ 1,967,553

Quarterly NOI by Segment:

(in thousands)	Three Months Ended								Year Ended		
	March 31,		June 30,		September 30,		December 31,		December 31,		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
Seniors Housing Operating:											
Total revenues	\$ 1,136,681	\$ 996,612	\$ 1,164,439	\$ 1,071,210	\$ 1,203,899	\$ 1,072,600	\$ 1,268,624	\$ 1,104,995	\$ 4,773,643	\$ 4,245,417	
Property operating expenses	883,784	789,928	885,187	789,299	918,990	841,914	967,547	870,904	3,655,508	3,292,045	
Consolidated NOI	\$ 252,897	\$ 206,684	\$ 279,252	\$ 281,911	\$ 284,909	\$ 230,686	\$ 301,077	\$ 234,091	\$ 1,118,135	\$ 953,372	
Triple-net:											
Total revenues	\$ 238,065	\$ 235,163	\$ 302,128	\$ 234,360	\$ 236,322	\$ 228,819	\$ 266,814	\$ 233,165	\$ 1,043,329	\$ 931,507	
Property operating expenses	11,723	11,211	10,598	11,491	10,044	11,495	9,829	10,286	42,194	44,483	
Consolidated NOI	\$ 226,342	\$ 223,952	\$ 291,530	\$ 222,869	\$ 226,278	\$ 217,324	\$ 256,985	\$ 222,879	\$ 1,001,135	\$ 887,024	
Outpatient Medical:											
Total revenues	\$ 184,831	\$ 163,323	\$ 186,192	\$ 166,322	\$ 191,958	\$ 172,178	\$ 188,174	\$ 176,934	\$ 751,155	\$ 678,757	
Property operating expenses	58,365	49,915	58,697	50,648	62,204	52,921	52,690	52,513	231,956	205,997	
Consolidated NOI	\$ 126,466	\$ 113,408	\$ 127,495	\$ 115,674	\$ 129,754	\$ 119,257	\$ 135,484	\$ 124,421	\$ 519,199	\$ 472,760	
Corporate:											
Total revenues	\$ 1,152	\$ 606	\$ 12,719	\$ 644	\$ 29,834	\$ 247	\$ 26,163	\$ 3,437	\$ 69,868	\$ 4,934	
Property operating expenses	3,881	2,615	4,190	2,645	4,035	5,850	6,012	5,135	18,118	16,245	
Consolidated NOI	\$ (2,729)	\$ (2,009)	\$ 8,529	\$ (2,001)	\$ 25,799	\$ (5,603)	\$ 20,151	\$ (1,698)	\$ 51,750	\$ (11,311)	

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The following is a reconciliation of the properties included in our QTD Pool and YTD Pool for SSNOI:

SSNOI Property Reconciliations:	QTD Pool				YTD Pool			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Consolidated properties	918	614	369	1,901	918	614	369	1,901
Unconsolidated properties	82	39	78	199	82	39	78	199
Total properties	1,000	653	447	2,100	1,000	653	447	2,100
Recent acquisitions/development conversions ⁽¹⁾	(78)	(74)	(42)	(194)	(169)	(74)	(53)	(296)
Under development	(32)	—	(11)	(43)	(32)	—	(11)	(43)
Under redevelopment ⁽²⁾	(5)	(4)	(2)	(11)	(5)	(4)	(2)	(11)
Current held for sale	(37)	(40)	(4)	(81)	(37)	(40)	(4)	(81)
Land parcels, loans and subleases	(19)	(5)	(8)	(32)	(19)	(5)	(8)	(32)
Transitions ⁽³⁾	(168)	(162)	—	(330)	(168)	(162)	—	(330)
Other ⁽⁴⁾	(14)	(4)	(3)	(21)	(14)	(4)	(3)	(21)
Same store properties	647	364	377	1,388	556	364	366	1,286

⁽¹⁾ Acquisitions and development conversions will enter the QTD Pool five full quarters and the YTD Pool eight full quarters after acquisition or certificate of occupancy.

⁽²⁾ Redevelopment properties will enter the QTD Pool after five full quarters and the YTD Pool after eight full quarters of operations post redevelopment completion.

⁽³⁾ Transitioned properties will enter the QTD Pool after five full quarters and the YTD Pool after eight full quarters of operations with the new operator in place or under the new structure.

⁽⁴⁾ Represents properties that are either closed or being closed.

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The following is a reconciliation of our consolidated NOI to same store NOI for the periods presented for the respective pools (dollars in thousands):

SSNOI Reconciliations:	QTD Pool		YTD Pool	
	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Seniors Housing Operating:				
Consolidated NOI	\$ 301,077	\$ 234,091	\$ 1,118,135	\$ 953,372
NOI attributable to unconsolidated investments	20,488	11,291	65,281	47,190
NOI attributable to noncontrolling interests	(15,976)	(16,718)	(63,867)	(122,874)
NOI attributable to non-same store properties	(67,994)	(35,860)	(330,696)	(223,436)
Non-cash NOI attributable to same store properties	(186)	(1,064)	(89)	(1,374)
Currency and ownership adjustments ⁽¹⁾	(416)	1,409	(159)	1,442
SSNOI at Welltower Share	236,993	193,149	788,605	654,320
Triple-net:				
Consolidated NOI	256,985	222,879	1,001,135	887,024
NOI attributable to unconsolidated investments	5,711	8,947	27,574	29,516
NOI attributable to noncontrolling interests	(8,031)	(9,555)	(31,373)	(41,099)
NOI attributable to non-same store properties	(138,314)	(104,199)	(518,519)	(404,629)
Non-cash NOI attributable to same store properties	(5,551)	(10,800)	(39,949)	(42,090)
Currency and ownership adjustments ⁽¹⁾	(581)	355	(2,630)	(2,165)
SSNOI at Welltower Share	110,219	107,627	436,238	426,557
Outpatient Medical:				
Consolidated NOI	135,484	124,421	519,199	472,760
NOI attributable to unconsolidated investments	4,586	4,712	18,925	19,233
NOI attributable to noncontrolling interests	(2,308)	(5,576)	(15,400)	(22,089)
NOI attributable to non-same store properties	(12,799)	(5,700)	(60,144)	(25,343)
Non-cash NOI attributable to same store properties	(5,262)	(5,369)	(16,566)	(14,831)
Currency and ownership adjustments ⁽¹⁾	5	2,692	5,945	11,934
SSNOI at Welltower Share	119,706	115,180	451,959	441,664
SSNOI at Welltower Share:				
Seniors Housing Operating	236,993	193,149	788,605	654,320
Triple-net	110,219	107,627	436,238	426,557
Outpatient Medical	119,706	115,180	451,959	441,664
Total	\$ 466,918	\$ 415,956	\$ 1,676,802	\$ 1,522,541

⁽¹⁾ Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.37 and to translate U.K. properties at a GBP/USD rate of 1.20.

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The table below reflects the reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollars are in thousands.

	Year Ended December 31,		
	2023	2022	2021
Adjusted EBITDA Reconciliation:			
Net income (loss)	\$ 358,139	\$ 160,568	\$ 374,479
Interest expense	607,846	529,519	489,853
Income tax expense (benefit)	6,364	7,247	8,713
Depreciation and amortization	1,401,101	1,310,368	1,037,566
EBITDA	2,373,450	2,007,702	1,910,611
Loss (income) from unconsolidated entities	53,442	21,290	22,933
Stock-based compensation expense	36,611	26,027	16,933
Loss (gain) on extinguishment of debt, net	7	680	49,874
Loss (gain) on real estate dispositions, net	(67,898)	(16,043)	(235,375)
Impairment of assets	36,097	17,502	51,107
Provision for loan losses, net	9,809	10,320	7,270
Loss (gain) on derivatives and financial instruments, net	(2,120)	8,334	(7,333)
Other expenses	108,341	101,670	41,739
Lease termination and leasehold interest adjustment ⁽¹⁾	(65,485)	(64,854)	760
Casualty losses, net of recoveries	10,107	10,391	5,786
Other impairment, net ⁽²⁾	16,642	(620)	49,241
Adjusted EBITDA	\$ 2,509,003	\$ 2,122,399	\$ 1,913,546
Adjusted Interest Coverage Ratio:			
Interest expense	\$ 607,846	\$ 529,519	\$ 489,853
Capitalized interest	50,699	30,491	19,352
Non-cash interest expense	(23,494)	(21,754)	(17,506)
Total interest	635,051	538,256	491,699
EBITDA	\$ 2,373,450	\$ 2,007,702	\$ 1,910,611
Interest coverage ratio	3.74x	3.73x	3.89x
Adjusted EBITDA	\$ 2,509,003	\$ 2,122,399	\$ 1,913,546
Adjusted interest coverage ratio	3.95x	3.94x	3.89x
Adjusted Fixed Charge Coverage Ratio:			
Total interest	\$ 635,051	\$ 538,256	\$ 491,699
Secured debt principal payments	54,076	58,114	65,587
Total fixed charges	689,127	596,370	557,286
EBITDA	\$ 2,373,450	\$ 2,007,702	\$ 1,910,611
Fixed charge coverage ratio	3.44x	3.37x	3.43x
Adjusted EBITDA	\$ 2,509,003	\$ 2,122,399	\$ 1,913,546
Adjusted fixed charge coverage ratio	3.64x	3.56x	3.43x

⁽¹⁾ Primarily relates to the derecognition of leasehold interests and the gain recognized in other income.

⁽²⁾ Represents the write off or recovery of straight-line rent receivables balances relating to leases placed on cash recognition.

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Our leverage ratios include book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt excluding operating lease liabilities less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization. The table below reflects the reconciliation of our leverage ratios to our balance sheets for the periods presented. Amounts are in thousands, except share price.

	Year Ended December 31,		
	2023	2022	2021
Book capitalization:			
Unsecured credit facility and commercial paper	\$ —	\$ —	\$ 324,935
Long-term debt obligations ⁽¹⁾	15,815,226	14,661,552	13,917,702
Cash and cash equivalents and restricted cash	(2,076,083)	(722,292)	(346,755)
Total net debt	13,739,143	13,939,260	13,895,882
Total equity and noncontrolling interests ⁽²⁾	26,371,727	21,393,996	18,997,873
Book capitalization	\$ 40,110,870	\$ 35,333,256	\$ 32,893,755
Net debt to book capitalization ratio	34.3 %	39.5 %	42.2 %
Undepreciated book capitalization:			
Total net debt	\$ 13,739,143	\$ 13,939,260	\$ 13,895,882
Accumulated depreciation and amortization	9,274,814	8,075,733	6,910,114
Total equity and noncontrolling interests ⁽²⁾	26,371,727	21,393,996	18,997,873
Undepreciated book capitalization	\$ 49,385,684	\$ 43,408,989	\$ 39,803,869
Net debt to undepreciated book capitalization ratio	27.8 %	32.1 %	34.9 %
Market capitalization:			
Common shares outstanding	564,241	490,509	447,239
Period end share price	\$ 90.17	\$ 65.55	\$ 85.77
Common equity market capitalization	\$ 50,877,611	\$ 32,152,865	\$ 38,359,689
Total net debt	13,739,143	13,939,260	13,895,882
Noncontrolling interests ⁽²⁾	967,351	1,099,182	1,361,872
Market capitalization:	\$ 65,584,105	\$ 47,191,307	\$ 53,617,443
Net debt to market capitalization ratio	20.9 %	29.5 %	25.9 %

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

⁽²⁾ Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our Consolidated Balance Sheets.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions. Management considers an accounting estimate or assumption critical if:

- the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on financial condition or operating performance is material.

Management has discussed the development and selection of its critical accounting policies and estimates with the Audit Committee of the Board of Directors. Management believes the current assumptions and other considerations used to estimate amounts reflected in our consolidated financial statements are appropriate and are not reasonably likely to change in the future. However, since these estimates require assumptions to be made that were uncertain at the time the estimate was made, they bear the risk of change. If actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations, liquidity and/or financial condition. Please refer to Note 2 to our consolidated financial statements for further information on significant accounting policies that impact us and for the impact of new accounting standards, including accounting pronouncements that were issued but not yet adopted by us.

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The following table presents information about our critical accounting policies and estimates:

Nature of Critical Accounting Estimate	Assumptions/Approach Used
<p><u>Impairment of Real Property Owned and Investments in Unconsolidated Entities</u></p> <p>Assessing impairment of real property owned and investments in unconsolidated entities involves subjectivity in determining if indicators of impairment are present and in estimating the future undiscounted cash flows or estimated fair value of an asset. This evaluation of indicators of impairment is dependent on a number of factors including when there is an event or adverse change in the operating performance of the property, or a change in management's intent to hold and operate the property. If an indicator of impairment of the property is identified, management estimates whether the carrying value is recoverable using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates, all of which are affected by our expectations of future market or economic conditions. These inputs can have a significant impact on the undiscounted cash flows.</p> <p>The evaluation of indicators of impairment of investments in unconsolidated entities is dependent on a number of factors including the performance of each investment, a change in market conditions or a change in management's investment strategy. When required, we estimate the fair value of an investment and assess whether any impairment is other than temporary using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates. These inputs can have a significant impact on the calculation of the fair value of the investment.</p>	<p>Quarterly, we review our real property owned on a property by property basis to determine if facts and circumstances suggest the property may be impaired. These indicators may include expected operational performance, the tenant's ability to make rent payments, a change in management's intent to hold and operate the property and changes in the market that may permanently reduce the value of the property. If indicators of impairment exist, an undiscounted cash flow analysis will be prepared to determine if the value of the property will be recoverable. If the estimated undiscounted cash flows indicate that the carrying value of the property will not be recoverable, the carrying value of the property is reduced to its estimated fair value and an impairment charge is recognized for the difference between the carrying value and the fair value. This analysis requires us to use judgment in determining whether indicators of impairment exist and to estimate the expected future undiscounted cash flows or estimated fair values of the property. Properties that meet the held for sale criteria are recorded at the lesser of the fair value less costs to sell or carrying value.</p> <p>We also evaluate investments in unconsolidated entities for indicators of impairment and, when present, record impairment charges based upon a comparison of the estimated fair value of the equity method investment to its carrying value if the decline in the estimated fair value of such an investment below its carrying value is other-than-temporary.</p> <p>At December 31, 2023, our net real property owned was approximately \$37,063,357,000 and investments in unconsolidated entities totaled \$1,636,531,000. During the year ended December 31, 2023, we recorded impairment charges of \$15,401,000 related to two Seniors Housing Operating properties and one Triple-net property which were classified as held for sale for which the carrying values exceeded the fair values less costs to sell. Additionally, we recorded \$20,696,000 of impairment charges related to three Seniors Housing Operating properties and two Triple-net properties that were held for use in which the carrying values exceeded the estimated fair values. We recorded \$35,293,000 of impairment losses related to investments in unconsolidated entities.</p>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

<p><u>Real Estate Acquisitions</u></p> <p>We believe that substantially all of our real estate acquisitions are considered asset acquisitions for which we record the related real estate acquired (tangible assets and identifiable intangible assets and liabilities) at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. Tangible assets consist primarily of land, building and improvements. Identifiable intangible assets and liabilities primarily consist of the above or below market component of in-place leases and the value of in-place leases. The total amount of other intangible assets acquired is further allocated to in-place lease values and customer relationship values based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with respect to that tenant.</p>	<p>The allocation of the purchase price to the related real estate acquired (tangible assets and intangible assets and liabilities) are based on a relative fair value analysis. In determining the fair values that drive such analysis, we estimate the fair value of each component of the real estate acquired which generally includes land, buildings and improvements, the above or below market component of in-place leases and the value of in-place leases using a number of sources including independent appraisals, our own analysis of recently acquired or developed and existing comparable properties in our portfolio and other market data. Significant assumptions used to determine such fair values include comparable land sales, capitalization rates, discount rates, market rental rates and property operating data, all of which can be impacted by expectations about future market or economic conditions. Our estimates of the values of these components affect the amount of depreciation and amortization we record over the estimated useful life of the property or the term of the lease.</p> <p>During the year ended December 31, 2023, we disbursed \$3,558,266,000 of cash related to real estate acquisitions. These transactions were accounted for as asset acquisitions and the purchase price of each was allocated based on the relative fair values of the assets acquired and liabilities assumed.</p>
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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Nature of Critical Accounting Estimate	Assumptions/Approach Used
<p><u>Principles of Consolidation</u></p> <p>The consolidated financial statements include our accounts, the accounts of our wholly owned subsidiaries, and the accounts of joint venture entities in which we own a majority voting interest with the ability to control operations and where no substantive participating rights or substantive kick out rights have been granted to the noncontrolling interests. In addition, we consolidate those entities deemed to be variable interest entities ("VIEs") in which we are determined to be the primary beneficiary. All material intercompany transactions and balances have been eliminated in consolidation.</p>	<p>We make judgments about which entities are VIEs based on an assessment of whether (i) the equity investors as a group, if any, do not have a controlling financial interest, or (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support. We make judgments with respect to our level of influence or control of an entity and whether we are (or are not) the primary beneficiary of a VIE. Consideration of various factors include, but is not limited to, our ability to direct the activities that most significantly impact the entity's economic performance, our form of ownership interest, our representation on the entity's governing body, the size and seniority of our investment, our ability and the rights of other investors to participate in policy making decisions, replace the manager and/or liquidate the entity, if applicable. Our ability to correctly assess our influence or control over an entity at inception of our involvement or on a continuous basis when determining the primary beneficiary of a VIE affects the presentation of these entities in our consolidated financial statements. If we perform a primary beneficiary analysis at a date other than at inception of the VIE, our assumptions may be different and may result in the identification of a different primary beneficiary.</p>
<p><u>Allowance for Credit Losses on Loans Receivable</u></p> <p>The allowance for credit losses is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of all outstanding loans, including general economic conditions and estimated collectability of loan payments.</p>	<p>The determination of the allowance for credit losses is based on a quarterly evaluation of all outstanding loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of factors, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent and value of the underlying collateral. A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we may return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance. For the remaining loans, we assess credit loss on a collective pool basis and use our historical loss experience for similar loans to determine the reserve for credit losses.</p> <p>During the year ended December 31, 2023, we recognized provision for loan losses of \$9,809,000, which includes changes in the reserve based on our historical loss experience.</p>

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates and foreign currency exchange rates. We seek to mitigate the underlying foreign currency exposures with gains and losses on derivative contracts hedging these exposures. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. This section is presented to provide a discussion of the risks associated with potential fluctuations in interest rates and foreign currency exchange rates. For more information, see Notes 12 and 17 to our consolidated financial statements.

We historically borrow on our unsecured revolving credit facility and commercial paper program to acquire, construct or make loans relating to health care and seniors housing properties. Then, as market conditions dictate, we will issue equity or long-term fixed rate debt to repay the borrowings under our unsecured revolving credit facility and commercial paper program. We are subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of refinancing may not be as favorable as the terms of current indebtedness. The majority of our borrowings were completed under indentures or contractual agreements that limit the amount of indebtedness we may incur. Accordingly, in the event that we are unable to raise additional equity or borrow money because of these limitations, our ability to acquire additional properties may be limited.

A change in interest rates will not affect the interest expense associated with our fixed rate debt. Interest rate changes, however, will affect the fair value of our fixed rate debt. Changes in the interest rate environment upon maturity of this fixed rate debt could have an effect on our future cash flows and earnings, depending on whether the debt is replaced with other fixed rate debt, variable rate debt or equity or repaid by the sale of assets. To illustrate the impact of changes in the interest rate markets, we performed a sensitivity analysis on our fixed rate debt instruments after considering the effects of interest rate swaps, whereby we modeled the change in net present values arising from a hypothetical 1% increase in interest rates to determine the instruments' change in fair value. The following table summarizes the analysis performed as of the dates indicated (in thousands):

	December 31, 2023		December 31, 2022	
	Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	\$ 12,800,253	\$ (515,723)	\$ 10,839,782	\$ (488,159)
Secured debt	1,625,364	(58,066)	1,448,567	(36,654)
Totals	\$ 14,425,617	\$ (573,789)	\$ 12,288,349	\$ (524,813)

Our variable rate debt, including our unsecured revolving credit facility and commercial paper program, is reflected at fair value. At December 31, 2023, we had \$1,496,447,000 outstanding related to our variable rate debt after considering the effects of interest rate swaps. Assuming no changes in outstanding balances, a 1% increase in interest rates would result in increased annual interest expense of \$14,964,000. At December 31, 2022, we had \$2,426,134,000 of outstanding variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would have resulted in increased annual interest expense of \$24,261,000.

We are subject to currency fluctuations that may, from time to time, affect our financial condition and results of operations. Increases or decreases in the value of the Canadian Dollar or British Pounds Sterling relative to the U.S. Dollar impact the amount of net income we earn from our investments in Canada and the United Kingdom. Based solely on our results for the year ended December 31, 2023, including the impact of existing hedging arrangements, if these exchange rates were to increase or decrease by 10%, our net income from these investments would increase or decrease, as applicable, by less than \$9,000,000. We will continue to mitigate these underlying foreign currency exposures with non-U.S. denominated borrowings and gains and losses on derivative contracts. If we increase our international presence through investments in, or acquisitions or development of, seniors housing and health care properties outside the U.S., we may also decide to transact additional business or borrow funds in currencies other than U.S. Dollars, Canadian Dollars or British Pounds Sterling. To illustrate the impact of changes in foreign currency markets, we performed a sensitivity analysis on our derivative portfolio whereby we modeled the change in net present values arising from a hypothetical 1% increase in foreign currency exchange rates to determine the instruments' change in fair value. The following table summarizes the results of the analysis performed (dollars in thousands):

	December 31, 2023		December 31, 2022	
	Carrying value	Change in fair value	Carrying value	Change in fair value
Foreign currency exchange contracts	\$ 10,811	\$ 5,087	\$ 190,418	\$ 14,238
Debt designated as hedges	1,527,380	15,274	1,452,832	14,528
Totals	\$ 1,538,191	\$ 20,361	\$ 1,643,250	\$ 28,766

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Welltower Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Welltower Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the Audit Committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Real Property and Investments in Unconsolidated Entities

Description of the Matter The Company, on a periodic basis, assesses whether there are indicators that (i) the carrying value of real property owned may not be recoverable or (ii) investments in unconsolidated entities may be other than temporarily impaired. At December 31, 2023, the Company's consolidated net real property owned totaled \$37.1 billion and its investments in unconsolidated entities totaled \$1.6 billion. During 2023, the Company recorded impairment losses of \$36.1 million related to real property owned and \$35.3 million related to investments in unconsolidated entities.

As discussed in Note 2 to the consolidated financial statements, the Company reviews real property owned on a property by property basis to determine if facts and circumstances suggest the property may be impaired. This evaluation of indicators of impairment of a property is dependent on a number of factors, including when there is an event or adverse change in the operating performance of the property or a change in management's intent to hold and operate the property. If an indicator of impairment of the property is identified, management estimates whether the carrying value is recoverable using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates. If the estimated undiscounted cash flows indicate that the carrying value of the property will not be recoverable, the carrying value of the property is reduced to its estimated fair value and an impairment charge is recognized for the difference between the carrying value and the fair value.

The Company also evaluates investments in unconsolidated entities for indicators of impairment and, when present, records impairment charges based upon a comparison of the estimated fair value of the equity method investment to its carrying value, if the decline in the estimated fair value of such an investment below its carrying value is other than temporary. This evaluation of indicators of impairment of investments in unconsolidated entities is dependent on a number of factors including the performance of each investment, a change in market conditions or a change in management's investment strategy. When required, the Company estimates the fair value of an investment and assesses whether any impairment is other than temporary using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates.

Auditing management's evaluation of impairment of real property owned and investments in unconsolidated entities was complex due to (i) the significant judgment employed by management in identifying whether indicators of impairment were present and (ii) the estimation uncertainty in determining the undiscounted cash flows of real property owned and, when necessary, the fair value of real property owned or investment in an unconsolidated entity. In particular, the evaluation was sensitive to significant assumptions such as forecasted cash flows, including leasing prospects and occupancy projections, and estimated capitalization rates, all of which can be affected by expectations about future market or economic conditions, demand and competition.

*How We Addressed the
Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process for evaluating impairment of real property owned and investments in unconsolidated entities, including controls over management's review of the significant assumptions described above.

To test the Company's evaluation of impairment of real property owned and investments in unconsolidated entities, we performed audit procedures that included, among others, assessing the methodologies applied, evaluating the significant assumptions discussed above and testing the completeness and accuracy of the underlying data used by management in its analysis. We evaluated the appropriateness of indicators of impairment and the identification by management of real property owned and investments in unconsolidated entities where such indicators are present. We further assessed the progression of properties with impairment indicators identified in historical periods.

In addition, we compared the significant assumptions used by management to current industry and economic trends and other relevant market information, and as needed, involved a valuation specialist to assist in evaluating certain assumptions. We performed sensitivity analyses of significant assumptions used to determine recoverability and/or fair value (each where applicable) of the related real property owned or investments in unconsolidated entities and evaluated significant variances between the forecasted cash flows and historical actual results. We also assessed whether any declines in investments in unconsolidated entities were other-than-temporary.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1970.
Toledo, Ohio
February 15, 2024

CONSOLIDATED BALANCE SHEETS
WELLTOWER INC. AND SUBSIDIARIES
(in thousands)

	December 31, 2023	December 31, 2022
Assets		
Real estate investments:		
Real property owned:		
Land and land improvements	\$ 4,697,824	\$ 4,249,834
Buildings and improvements	37,796,553	33,651,336
Acquired lease intangibles	2,166,470	1,945,458
Real property held for sale, net of accumulated depreciation	372,883	133,058
Construction in progress	1,304,441	1,021,080
Less accumulated depreciation and amortization	(9,274,814)	(8,075,733)
Net real property owned	37,063,357	32,925,033
Right of use assets, net	350,969	323,942
Real estate loans receivable, net of credit allowance	1,361,587	890,844
Net real estate investments	38,775,913	34,139,819
Other assets:		
Investments in unconsolidated entities	1,636,531	1,499,790
Goodwill	68,321	68,321
Cash and cash equivalents	1,993,646	631,681
Restricted cash	82,437	90,611
Straight-line rent receivable	443,800	322,173
Receivables and other assets	1,011,518	1,140,838
Total other assets	5,236,253	3,753,414
Total assets	\$ 44,012,166	\$ 37,893,233
Liabilities and equity		
Liabilities:		
Unsecured credit facility and commercial paper		
Senior unsecured notes	\$ 13,552,222	\$ 12,437,273
Secured debt	2,183,327	2,110,815
Lease liabilities	383,230	415,824
Accrued expenses and other liabilities	1,521,660	1,535,325
Total liabilities	17,640,439	16,499,237
Redeemable noncontrolling interests	290,605	384,443
Equity:		
Common stock	565,894	491,919
Capital in excess of par value	32,741,949	26,742,750
Treasury stock	(111,578)	(111,001)
Cumulative net income	9,145,044	8,804,950
Cumulative dividends	(16,773,773)	(15,514,097)
Accumulated other comprehensive income (loss)	(163,160)	(119,707)
Total Welltower Inc. stockholders' equity	25,404,376	20,294,814
Noncontrolling interests	676,746	714,739
Total equity	26,081,122	21,009,553
Total liabilities and equity	\$ 44,012,166	\$ 37,893,233

See accompanying notes

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
WELLTOWER INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Resident fees and services	\$ 4,753,804	\$ 4,173,711	\$ 3,197,223
Rental income	1,556,073	1,451,786	1,374,695
Interest income	168,354	150,571	137,563
Other income	159,764	84,547	32,634
Total revenues	6,637,995	5,860,615	4,742,115
Expenses:			
Property operating expenses	3,947,776	3,558,770	2,774,562
Depreciation and amortization	1,401,101	1,310,368	1,037,566
Interest expense	607,846	529,519	489,853
General and administrative expenses	179,091	150,390	126,727
Loss (gain) on derivatives and financial instruments, net	(2,120)	8,334	(7,333)
Loss (gain) on extinguishment of debt, net	7	680	49,874
Provision for loan losses, net	9,809	10,320	7,270
Impairment of assets	36,097	17,502	51,107
Other expenses	108,341	101,670	41,739
Total expenses	6,287,948	5,687,553	4,571,365
Income (loss) from continuing operations before income taxes and other items	350,047	173,062	170,750
Income tax (expense) benefit	(6,364)	(7,247)	(8,713)
Income (loss) from unconsolidated entities	(53,442)	(21,290)	(22,933)
Gain (loss) on real estate dispositions, net	67,898	16,043	235,375
Income (loss) from continuing operations	358,139	160,568	374,479
Net income	358,139	160,568	374,479
Less: Net income (loss) attributable to noncontrolling interests ⁽¹⁾	18,045	19,354	38,341
Net income (loss) attributable to common stockholders	\$ 340,094	\$ 141,214	\$ 336,138
Weighted average number of common shares outstanding:			
Basic	515,629	462,185	424,976
Diluted	518,701	465,158	426,841
Earnings per share:			
Basic:			
Income (loss) from continuing operations	\$ 0.69	\$ 0.35	\$ 0.88
Net income (loss) attributable to common stockholders	\$ 0.66	\$ 0.31	\$ 0.79
Diluted:			
Income (loss) from continuing operations	\$ 0.69	\$ 0.35	\$ 0.88
Net income (loss) attributable to common stockholders ⁽²⁾	\$ 0.66	\$ 0.30	\$ 0.78

(1) Includes amounts attributable to redeemable noncontrolling interests

(2) Includes adjustment to the numerator for income (loss) attributable to OP Units and DownREIT Units.

See accompanying notes

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
WELLTOWER INC. AND SUBSIDIARIES

(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 358,139	\$ 160,568	\$ 374,479
Other comprehensive income (loss):			
Foreign currency translation gain (loss)	223,920	(466,910)	(52,826)
Derivative and financial instruments designated as hedges gain (loss)	(245,095)	442,620	79,702
Total other comprehensive income (loss)	(21,175)	(24,290)	26,876
Total comprehensive income (loss)	336,964	136,278	401,355
Less: Total comprehensive income (loss) attributable to noncontrolling interests ⁽¹⁾	27,637	(6,545)	38,029
Total comprehensive income (loss) attributable to common stockholders	\$ 309,327	\$ 142,823	\$ 363,326

(1) Includes amounts attributable to redeemable noncontrolling interests.

See accompanying notes

**CONSOLIDATED STATEMENTS OF EQUITY
WELLTOWER INC. AND SUBSIDIARIES**

(in thousands)

	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at December 31, 2020	\$ 418,691	\$ 20,823,145	\$ (104,490)	\$ 8,327,598	\$ (13,343,721)	\$ (148,504)	\$ 908,853	\$ 16,881,572
Comprehensive income:								
Net income (loss)				336,138			36,795	372,933
Other comprehensive income (loss)						27,188	(366)	26,822
Total comprehensive income								399,755
Net change in noncontrolling interests		(23,743)					15,296	(8,447)
Amounts related to stock incentive plans, net of forfeitures	246	18,087	(3,260)					15,073
Net proceeds from issuance of common stock	29,668	2,316,152						2,345,820
Dividends paid:								
Common stock dividends					(1,037,194)			(1,037,194)
Balances at December 31, 2021	448,605	23,133,641	(107,750)	8,663,736	(14,380,915)	(121,316)	960,578	18,596,579
Comprehensive income:								
Net income (loss)				141,214			36,151	177,365
Other comprehensive income (loss)						1,609	(24,161)	(22,552)
Total comprehensive income								154,813
Net change in noncontrolling interests		(88,756)					(210,974)	(299,730)
Adjustment to members' interest from change in ownership in Welltower OP		46,649					(46,649)	—
Redemption of OP Units and DownREIT Units	5	1,464					(206)	1,263
Amounts related to stock incentive plans, net of forfeitures	214	27,018	(3,251)					23,981
Net proceeds from issuance of common stock	43,095	3,622,734						3,665,829
Dividends paid:								
Common stock dividends					(1,133,182)			(1,133,182)
Balances at December 31, 2022	491,919	26,742,750	(111,001)	8,804,950	(15,514,097)	(119,707)	714,739	21,009,553
Comprehensive income:								
Net income (loss)				340,094			17,819	357,913
Other comprehensive income (loss)						(30,767)	8,839	(21,928)
Total comprehensive income								335,985
Net change in noncontrolling interests		25,571				(12,686)	(80,009)	(67,124)
Adjustment to members' interest from change in ownership in Welltower OP		(18,399)					18,399	—
Redemption of OP Units and DownREIT Units	336	20,061					(3,041)	17,356
Amounts related to stock incentive plans, net of forfeitures	210	38,026	(577)					37,659
Net proceeds from issuance of common stock	73,429	5,933,940						6,007,369
Dividends paid:								
Common stock dividends					(1,259,676)			(1,259,676)
Balances at December 31, 2023	\$ 565,894	\$ 32,741,949	\$ (111,578)	\$ 9,145,044	\$ (16,773,773)	\$ (163,160)	\$ 676,746	\$ 26,081,122

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS
WELLTOWER INC. AND SUBSIDIARIES
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Operating activities:			
Net income	\$ 358,139	\$ 160,568	\$ 374,479
Adjustments to reconcile net income to net cash provided from (used in) operating activities:			
Depreciation and amortization	1,401,101	1,310,368	1,037,566
Other amortization expenses	42,645	28,234	19,148
Provision for loan losses	9,809	10,320	7,270
Impairment of assets	36,097	17,502	51,107
Stock-based compensation expense	37,199	26,149	17,812
Loss (gain) on derivatives and financial instruments, net	(2,120)	8,334	(7,333)
Loss (gain) on extinguishment of debt, net	7	680	49,874
Loss (income) from unconsolidated entities	53,442	21,290	22,933
Rental income less than (in excess of) cash received	(135,758)	(108,883)	(30,820)
Amortization related to above (below) market leases, net	(529)	(1,693)	(3,536)
Loss (gain) on real estate dispositions, net	(67,898)	(16,043)	(235,375)
Loss (gain) on loss of control of subsidiary	(65,485)	—	—
Distributions by unconsolidated entities	11,623	12,462	16,763
Increase (decrease) in accrued expenses and other liabilities	(79,801)	50,857	77,554
Decrease (increase) in receivables and other assets	3,390	(191,437)	(122,117)
Net cash provided from (used in) operating activities	1,601,861	1,328,708	1,275,325
Investing activities:			
Cash disbursed for acquisitions, net of cash acquired	(3,558,266)	(2,306,020)	(4,084,174)
Cash disbursed for capital improvements to existing properties	(517,682)	(476,016)	(282,588)
Cash disbursed for construction in progress	(1,014,935)	(631,737)	(417,963)
Capitalized interest	(50,699)	(30,491)	(19,352)
Investment in loans receivable	(490,736)	(156,045)	(997,449)
Principal collected on loans receivable	90,215	196,310	343,260
Other investments, net of payments	(100,128)	(98,459)	(26,595)
Contributions to unconsolidated entities	(343,498)	(502,171)	(396,020)
Distributions by unconsolidated entities	149,753	37,571	286,772
Proceeds from (payments on) derivatives	31,493	63,747	7,519
Proceeds from sales of real property	96,741	199,496	1,070,322
Net cash provided from (used in) investing activities	(5,707,742)	(3,703,815)	(4,516,268)
Financing activities:			
Net increase (decrease) under unsecured credit facility and commercial paper	—	(324,935)	324,935
Proceeds from issuance of senior unsecured notes	1,011,780	1,040,232	1,703,626
Payments to extinguish senior unsecured notes	—	—	(1,533,752)
Net proceeds from the issuance of secured debt	385,115	113,183	23,569
Payments on secured debt	(741,856)	(457,180)	(197,618)
Net proceeds from the issuance of common stock	6,010,129	3,667,854	2,348,201
Payments for deferred financing costs and prepayment penalties	(7,220)	(5,062)	(73,735)
Contributions by noncontrolling interests ⁽¹⁾	280,678	138,656	156,318
Distributions to noncontrolling interests ⁽¹⁾	(216,273)	(272,414)	(138,756)
Cash distributions to stockholders	(1,260,578)	(1,131,527)	(1,035,906)
Other financing activities	(13,128)	(7,530)	(9,218)
Net cash provided from (used in) financing activities	5,448,647	2,761,277	1,567,664
Effect of foreign currency translation on cash and cash equivalents and restricted cash	11,025	(10,633)	(1,009)
Increase (decrease) in cash, cash equivalents and restricted cash	1,353,791	375,537	(1,674,288)
Cash, cash equivalents and restricted cash at beginning of period	722,292	346,755	2,021,043
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,076,083</u>	<u>\$ 722,292</u>	<u>\$ 346,755</u>
Supplemental cash flow information:			
Interest paid	\$ 628,582	\$ 531,672	\$ 492,742
Income taxes paid (received)	7,682	3,435	(4,812)

(1) Includes amounts attributable to redeemable noncontrolling interests.

See accompanying notes.

WELLTOWER INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business

Welltower Inc., an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. We invest with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower Inc., a real estate investment trust ("REIT"), owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

As of May 24, 2022, we are structured as an umbrella partnership REIT under which substantially all of our business is conducted through Welltower OP LLC, the day-to-day management of which is exclusively controlled by Welltower Inc. Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP. Welltower's weighted average ownership in Welltower OP was 99.740% during the year ended December 31, 2023. As of December 31, 2023, Welltower owned 99.765% of the issued and outstanding units of Welltower OP, with other investors owning the remaining 0.235% of outstanding units. We adjust the noncontrolling members' interest at the end of each period to reflect their interest in the net assets of Welltower OP.

2. Accounting Policies and Related Matters

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of our wholly owned subsidiaries and joint venture entities that we control, through voting rights or other means. All material intercompany transactions and balances have been eliminated in consolidation. At inception of transactions, we identify entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and determine which business enterprise is the primary beneficiary of its operations. A VIE is broadly defined as an entity where either (i) substantially all of an entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights, (ii) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support or (iii) the equity investors as a group lack any of the following: (a) the power through voting or similar rights to direct the activities of an entity that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of an entity or (c) the right to receive the expected residual returns of an entity. Criterion (iii) is generally applied to limited partnerships and similarly structured entities by assessing whether a simple majority of the limited partners hold substantive rights to participate in significant decisions of the entity or have the ability to remove the decision maker or liquidate the entity without cause. If neither of those criteria are met, the entity is a VIE.

We consolidate investments in VIEs when we are determined to be the primary beneficiary. Accounting Standards Codification Topic 810, Consolidations ("ASC 810"), requires enterprises to perform a qualitative approach to determining whether or not a VIE will need to be consolidated. This evaluation is based on an enterprise's ability to direct and influence the activities of a VIE that most significantly impact that entity's economic performance and the rights held by limited partners or non-managing members.

The designation of an entity as a VIE is reassessed upon certain events, including but not limited to: (i) a change to the contractual arrangements of the entity or in the ability of a party to exercise its participation or kick-out rights, (ii) a change to the capitalization structure of the entity or (iii) acquisitions or sales of interests that constitute a change in control.

Revenue Recognition

For our Triple-net and Outpatient Medical segments, a significant source of our revenue is generated through leasing arrangements and accounted for under ASC 842, Leases ("ASC 842"). Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Leases in our Outpatient Medical portfolio typically include some form of operating expense reimbursement by the tenant and upon adoption of ASC 842, we elected the lessor practical expedient to not separate non-lease components from the associated lease components resulting in presenting all revenue associated with Outpatient Medical leases as leasing revenue on the Consolidated Statements of Comprehensive Income. Certain payments made to tenants are treated as lease incentives and amortized as a reduction of revenue over the lease term.

WELLTOWER INC. AND SUBSIDIARIES
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For our Seniors Housing Operating segment, revenue from resident fees and services is predominantly service-based, and generally is recognized monthly as services are provided. Agreements with residents generally have varying terms and are cancellable by the resident with 30 days' notice. We have elected the lessor practical expedient within ASC 842 and recognize and disclose the revenues for Seniors Housing Operating resident agreement based upon the predominant component, generally the non-lease service component, under ASC 606, Revenue from Contracts with Customers. Within that reportable segment, we also recognize revenue from residential seniors apartment leases in accordance with ASC 842. Management contracts are present in some of our joint venture agreements to provide asset and property management, leasing, marketing and other services and are recognized monthly as services are provided.

Our Seniors Housing Operating segment also contains continuing care retirement communities, which operate as entrance fee communities. The entrance fee communities offer different contracts which vary in terms of how much of the entrance fee is considered to be refundable upon move-out, temporarily refundable until a period of time has passed, or nonrefundable. Refundable entrance fees are recorded as a payable within the accrued expenses and other liabilities line item of our Consolidated Balance Sheets. Nonrefundable entrance fees are recorded as deferred revenue within the same line item and are recognized into revenue over the estimated remaining stay of the resident. We use a third party actuarial expert to determine the estimated remaining stay of each resident based on demographic data.

Interest income on loans is recognized as earned based upon the principal amount outstanding, subject to an evaluation of collectability risk.

We recognize gains on the disposition of real estate when control transfers to the buyer, generally when consideration and title are exchanged and the risks and rewards of ownership transfer. We recognize losses from dispositions of real estate when known.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an original maturity of three months or less.

Restricted Cash

Restricted cash primarily consists of amounts held by lenders to provide future payments for real estate taxes, insurance, tenant and capital improvements, amounts held in escrow relating to transactions we are entitled to receive over a period of time as outlined in the escrow agreement and net proceeds from property sales that were executed as tax-deferred dispositions under Internal Revenue Code ("IRC") Section 1031.

Deferred Loan Expenses

Deferred loan expenses are costs incurred by us in connection with the issuance, assumption and amendments of debt arrangements. Deferred loan expenses related to debt instruments, excluding the primary unsecured credit facility, are recorded as a reduction of the related debt liability. Deferred loan expenses related to the primary unsecured credit facility are included in receivables and other assets. We amortize these costs over the term of the debt using the straight-line method, which approximates the effective interest method.

Investments in Unconsolidated Entities

Investments in entities that we do not consolidate but have the ability to exercise significant influence over operating and financial policies are reported under the equity method of accounting. Under the equity method, our share of the investee's earnings or losses is included in our consolidated results of operations. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the equity interest inclusive of transaction costs. To the extent that our cost basis is different from the basis reflected at the entity level, the basis difference is generally amortized over the lives of the related assets and liabilities, and such amortization is included in our share of equity in earnings of the entity. For earnings of equity method investments with pro rata distribution allocations, net income or loss is allocated between the partners in the joint venture based upon their respective stated ownership. In other instances, net income or loss may be allocated between the partners in the joint venture based on the hypothetical liquidation at book value method ("HLBV method"). Under the HLBV method, we recognize income and loss in each period based on the change in liquidation proceeds we would receive from a hypothetical liquidation of the underlying investment at book value.

We evaluate our investments in unconsolidated entities for impairment and, when present, record impairment charges based upon a comparison of the estimated fair value of the equity method investment to its carrying value if the decline in the estimated fair value of such an investment below its carrying value is other-than-temporary. This evaluation of indicators of impairment of investments in unconsolidated entities is dependent on a number of factors including the performance of each investment, a change in conditions or a change in management's investment strategy. When required, we estimate the fair value of an investment and assess whether any impairment is other-than-temporary using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates.

WELLTOWER INC. AND SUBSIDIARIES
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Welltower OP Noncontrolling Interests

Members of Welltower OP other than Welltower have the right under the limited liability company agreement to redeem their Class A Common Units ("OP Units") for shares of Welltower common stock or cash, at Welltower's sole discretion, as the initial member. Accordingly, we classify the non-Welltower OP Units held by such other members in permanent equity because Welltower may elect to issue shares of Welltower common stock to the non-Welltower members who choose to redeem their OP Units rather than using cash.

Redeemable Noncontrolling Interests

Certain noncontrolling interests are redeemable at fair value. Accordingly, we record the carrying amount of the noncontrolling interests at the greater of (i) the initial carrying amount, increased or decreased for the noncontrolling interest's share of net income or loss and its share of other comprehensive income or loss, and contributions or distributions or (ii) the redemption value. If the interests are redeemable in the future, we accrete the carrying value to the redemption value over the period until expected redemption, currently a weighted-average period of approximately five years. In accordance with ASC 810, the redeemable noncontrolling interests are classified outside of permanent equity, as a mezzanine item, on the balance sheet. At December 31, 2023, the current redemption value of redeemable noncontrolling interests exceeded the carrying value of \$290,605,000 by \$46,178,000.

We entered into certain DownREIT partnerships which give a real estate seller the ability to exchange its property on a tax deferred basis for equity membership interests ("DownREIT Units"). The DownREIT Units may be redeemed any time following the first anniversary of the date of issuance at the election of the holders for one share of our common stock per unit or, at our option, cash.

Real Property Owned

Real estate acquisitions are generally classified as asset acquisitions for which we record tangible assets and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. Tangible assets primarily consist of land, buildings and improvements. In making estimates of relative fair value, we utilize a number of sources including independent appraisals, our own analysis of recently acquired or developed and existing comparable properties in our portfolio and other market data.

Identifiable intangible assets and liabilities consist primarily of the above or below market component of in-place leases and the value associated with the presence of in-place leases. The value allocable to the above or below market component of the acquired in-place lease is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term, and (ii) management's estimate of the amounts that would be paid using fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in acquired lease intangibles and below market leases are included in other liabilities on the balance sheet and are amortized to rental income over the remaining terms of the respective leases.

The total amount of other intangible assets acquired is further allocated to in-place lease values and customer relationship values for in-place tenants based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with that respective tenant. Characteristics considered by management in allocating these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals, among other factors. The total amount of other intangible assets acquired is further allocated to in-place lease values for in-place residents with such value representing (i) value associated with lost revenue related to tenant reimbursable operating costs that would be incurred in an assumed re-leasing period, and (ii) value associated with lost rental revenue from existing leases during an assumed re-leasing period. This intangible asset is amortized over the remaining life of the lease or the assumed re-leasing period.

Real property developed by us is recorded at cost, including the capitalization of construction period interest. Owned properties are depreciated on a straight-line basis over their estimated useful lives which range from 15 to 40 years for buildings and 5 to 15 years for improvements. We consider costs incurred in conjunction with re-leasing properties, including tenant improvements and lease commissions, to represent the acquisition of productive assets and, accordingly, such costs are reflected as investment activities in our Consolidated Statement of Cash Flows.

The net book value of real property owned is reviewed quarterly on a property by property basis to determine if facts and circumstances suggest that a property may be impaired. This evaluation of indicators of impairment of a property is dependent on a number of factors, including when there is an event or adverse change in the operating performance of the property or a change in management's intent to hold and operate the property. If an indicator of impairment of the property is identified, management estimates whether the carrying value is recoverable using observable and unobservable inputs such as historical and forecasted cash flows and estimated capitalization rates. If the estimated undiscounted cash flows indicate that the carrying value of the property will not be recoverable, the carrying value of the property is reduced to the estimated fair market value and an impairment charge is recognized for the difference between the carrying value and the fair value. Additionally, properties that meet the held for sale criteria are recorded at the lesser of fair value less costs to sell or the carrying value.

WELLTOWER INC. AND SUBSIDIARIES
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Expenditures for repairs and maintenance are expensed as incurred.

Capitalization of Construction Period Interest

We capitalize interest costs associated with funds used for the construction of properties owned by us. The amount capitalized is based upon the balance outstanding during the construction period using the rate of interest which approximates our company-wide cost of financing. Our interest expense reflected in the Consolidated Statements of Comprehensive Income has been reduced by the amounts capitalized.

Loans Receivable

Loans receivable are recorded on our Consolidated Balance Sheets in real estate loans receivable, net of credit allowance, or for non-real estate loans receivable, in receivables and other assets. Real estate loans receivable consists of mortgage loans and other real estate loans which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment or pledge of the partnership interest in, the related properties, corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. Interest income on loans is recognized as earned based upon the principal amount outstanding, subject to an evaluation of the risk of credit loss.

In Substance Real Estate Investments

We provide loans to third parties for the acquisition, development and construction of real estate. Under these arrangements, it is possible that we will participate in the expected residual profits of the project through the sale, refinancing or acquisition of the property. We evaluate the characteristics of each arrangement, including its risks and rewards, to determine whether they are more similar to those associated with a loan or an investment in real estate. Arrangements with characteristics implying loan classification are presented as real estate loans receivable and result in the recognition of interest income. Arrangements with characteristics implying real estate joint ventures are treated as in substance real estate investments and presented as investments in unconsolidated entities and are accounted for using the equity method. The classification of each arrangement as either a real estate loan receivable or investment in unconsolidated entity involves judgment and relies on various factors, including market conditions, amount and timing of expected residual profits, credit enhancements in the form of guarantees, estimated fair value of the collateral, and significance of borrower equity in the project, among others. The classification of such arrangements is performed at inception, and periodically reassessed when significant changes occur in the circumstances or conditions described above.

Allowance for Credit Losses on Loans Receivable

The allowance for credit losses on loans receivable is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of all outstanding loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of credit quality indicators, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent, and value of the underlying collateral. A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual status are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we may return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance. For the remaining loans we assess credit loss on a collective pool basis and use our historical loss experience for similar loans and expectations of future performance of the borrowers to determine the reserve for credit losses.

Goodwill

Goodwill is tested annually for impairment and is tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount, including goodwill, exceeds the reporting unit's fair value and the implied fair value of goodwill is less than the carrying amount of that goodwill. We have not had any goodwill impairments.

Fair Value of Derivative Instruments

Derivatives are recorded at fair value on the balance sheet as assets or liabilities. The valuation of derivative instruments requires us to make estimates and judgments that affect the fair value of the instruments. Fair values of our derivatives are estimated by pricing models that consider the forward yield curves and discount rates. The fair value of our forward exchange contracts are estimated by pricing models that consider foreign currency spot rates, forward trade rates and discount rates. Such amounts and the recognition of such amounts are subject to estimates that may change in the future. See Note 12 for additional information.

WELLTOWER INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consist of the following (in thousands):

	Year Ended December 31,	
	2023	2022
Unearned revenue	\$ 374,545	\$ 432,941
Other liabilities	325,715	311,506
Accounts payable	173,215	216,732
Taxes payable	130,006	144,021
Other accrued expenses	139,691	135,944
Accrued payroll	158,255	120,713
Accrued interest	124,210	117,741
Derivative liabilities	96,023	55,727
Total	\$ 1,521,660	\$ 1,535,325

Federal Income Tax

We have elected to be treated as a REIT under the applicable provisions of the IRC, commencing with our first taxable year, and made no provision for U.S. federal income tax purposes prior to our acquisition of our taxable REIT subsidiaries ("TRSs"). As a result of these, as well as subsequent acquisitions, we now record income tax expense or benefit with respect to certain of our entities that are taxed as TRSs under provisions similar to those applicable to regular corporations and not under the REIT provisions. We account for deferred income taxes using the asset and liability method and recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our consolidated financial statements or tax returns. Under this method, we determine deferred tax assets and liabilities based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Any increase or decrease in the deferred tax liability that results from a change in circumstances, and that causes a change in our judgment about expected future tax consequences of events, is included in the tax provision when such changes occur. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of the deferred tax asset will not be realized. Any increase or decrease in the valuation allowance that results from a change in circumstances, and that causes a change in our judgment about the realizability of the related deferred tax asset, is included in the tax provision when such changes occur. See Note 19 for additional information.

Foreign Currency

Certain of our subsidiaries' functional currencies are the local currencies of their respective countries. We translate the results of operations of our foreign subsidiaries into U.S. Dollars using average rates of exchange in effect during the period, and we translate balance sheet accounts using exchange rates in effect at the end of the period. We record resulting currency translation adjustments in accumulated other comprehensive income, a component of stockholders' equity, on our Consolidated Balance Sheets.

Earnings Per Share

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of shares outstanding for the period, adjusted for non-vested shares of restricted stock. The computation of diluted earnings per share is similar to basic earnings per share, except that the number of shares is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued. Additionally, net income (loss) allocated to OP Units and DownREIT Units (discussed above) has been included in the numerator and redeemable common stock related to the OP Units and DownREIT Units have been included in the denominator for the purpose of computing diluted earnings per share.

Reclassifications

Certain amounts in prior years have been reclassified to conform to current year presentation.

Government Grant Income

On March 27, 2020, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") to provide financial aid to individuals, businesses, and state and local governments. During the years ended December 31, 2023, 2022 and 2021, we received government grants under the CARES Act primarily to cover increased expenses and lost revenue during the COVID-19 pandemic, as well as under similar programs in the U.K. and Canada. For the years ended December 31, 2023, 2022 and 2021 we recognized \$21,220,000, \$38,607,000 and \$97,933,000, respectively, of government

WELLTOWER INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

grant income as a reduction to property operating expenses in our Consolidated Statements of Comprehensive Income. Additionally, for the year ended December 31, 2021, we recognized \$4,642,000 of government grant income in other income in our Consolidated Statements of Comprehensive Income. The amount of qualifying expenditures and lost revenue exceeded grant income recognized and we believe we have complied and will continue to comply with all grant conditions. In the event of non-compliance, all such amounts are subject to recapture.

New Accounting Standards

- In March 2020, the FASB issued an amendment to the reference rate reform standard, which provides the option for a limited period of time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on contract modifications and hedge accounting. An example of such reform is the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. Entities that make this optional expedient election would not have to remeasure the contracts at the modification date or reassess the accounting treatment if certain criteria are met and would continue applying hedge accounting for relationships affected by reference rate reform. In December 2022, the FASB extended the date for which this guidance can be applied from December 31, 2022 to December 31, 2024. We continue to monitor developments related to the LIBOR transition and identification of an alternative, market-accepted rate.
- In November 2023, the FASB issued Accounting Standards Update No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and disclosures.
- In December 2023, the FASB issued Accounting Standards Update No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")," which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and disclosures.

3. Real Property Acquisitions and Development

The total purchase price for all properties acquired has been allocated to the tangible and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. The results of operations for these acquisitions have been included in our consolidated results of operations since the date of acquisition and are a component of the appropriate segments. Transaction costs primarily represent costs incurred with acquisitions, including due diligence costs, fees for legal and valuation services, termination of pre-existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs. Transaction costs directly related to asset acquisitions are capitalized as a component of purchase price and all other non-capitalizable costs are reflected in other expenses on our Consolidated Statements of Comprehensive Income. Our acquisition of properties are at times subject to earn out provisions based on the future operating performance of the acquired properties, which could result in incremental payments in the future. Our policy is to recognize such contingent consideration when the contingency is resolved and the consideration becomes payable. As of December 31, 2023, we do not expect future payments under these provisions to be material and no liabilities for such amounts have been accrued.

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The following is a summary of our real property investment activity by segment for the periods presented (in thousands):

	Year Ended December 31, 2023			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Land and land improvements	\$ 251,507	\$ 127,523	\$ 79,506	\$ 458,536
Buildings and improvements	2,006,021	969,481	343,252	3,318,754
Acquired lease intangibles	208,239	—	50,373	258,612
Construction in progress	165,934	—	—	165,934
Right of use assets, net	24,212	—	927	25,139
Total net real estate assets	2,655,913	1,097,004	474,058	4,226,975
Receivables and other assets	21,999	—	1,632	23,631
Total assets acquired ⁽¹⁾	2,677,912	1,097,004	475,690	4,250,606
Secured debt	(372,482)	—	(40,953)	(413,435)
Lease liabilities	(24,212)	—	(953)	(25,165)
Accrued expenses and other liabilities	(26,666)	—	(11,528)	(38,194)
Total liabilities acquired	(423,360)	—	(53,434)	(476,794)
Noncontrolling interests ⁽²⁾	(32,692)	—	(925)	(33,617)
Non-cash acquisition related activity ⁽³⁾	(181,929)	—	—	(181,929)
Cash disbursed for acquisitions	2,039,931	1,097,004	421,331	3,558,266
Construction in progress additions	646,466	25,646	422,103	1,094,215
Less: Capitalized interest	(39,799)	(2,416)	(8,484)	(50,699)
Accruals ⁽⁴⁾	(4,735)	(1,358)	(22,488)	(28,581)
Cash disbursed for construction in progress	601,932	21,872	391,131	1,014,935
Capital improvements to existing properties	399,130	33,592	84,960	517,682
Total cash invested in real property, net of cash acquired	\$ 3,040,993	\$ 1,152,468	\$ 897,422	\$ 5,090,883

⁽¹⁾ Excludes \$4,708,000 of unrestricted and restricted cash acquired.

⁽²⁾ Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

⁽³⁾ Relates to the acquisition of assets previously financed as loans receivable and the acquisition of assets previously recognized as investments in unconsolidated entities.

⁽⁴⁾ Represents non-cash accruals for amounts to be paid in future periods for properties that converted, off-set by amounts paid in the current period.

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	Year Ended December 31, 2022			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Land and land improvements	\$ 206,618	\$ 7,536	\$ 68,379	\$ 282,533
Buildings and improvements	2,067,051	59,248	253,358	2,379,657
Acquired lease intangibles	129,429	—	35,316	164,745
Construction in progress	108,141	—	—	108,141
Right of use assets, net	169	—	3,852	4,021
Total net real estate assets	2,511,408	66,784	360,905	2,939,097
Receivables and other assets	14,406	—	501	14,907
Total assets acquired ⁽¹⁾	2,525,814	66,784	361,406	2,954,004
Secured debt	(279,788)	(39,574)	—	(319,362)
Lease liabilities	—	—	(3,852)	(3,852)
Accrued expenses and other liabilities	(112,962)	(1,428)	(1,414)	(115,804)
Total liabilities acquired	(392,750)	(41,002)	(5,266)	(439,018)
Noncontrolling interests ⁽²⁾	(115,112)	(4)	(1,095)	(116,211)
Non-cash acquisition related activity ⁽³⁾	(64,975)	(27,780)	—	(92,755)
Cash disbursed for acquisitions	1,952,977	(2,002)	355,045	2,306,020
Construction in progress additions	489,001	83,368	91,662	664,031
Less: Capitalized interest	(24,432)	(4,210)	(1,849)	(30,491)
Accruals ⁽⁴⁾	(4,621)	—	2,818	(1,803)
Cash disbursed for construction in progress	459,948	79,158	92,631	631,737
Capital improvements to existing properties	352,099	48,052	75,865	476,016
Total cash invested in real property, net of cash acquired	\$ 2,765,024	\$ 125,208	\$ 523,541	\$ 3,413,773

⁽¹⁾ Excludes \$6,563,000 of unrestricted and restricted cash acquired.

⁽²⁾ Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests. For the year ended December 31, 2022, 1,227,000 OP Units were issued as a component of funding for certain transactions.

⁽³⁾ Relates to the acquisition of assets previously financed as loans receivable and the acquisition of assets previously recognized as investments in unconsolidated entities.

⁽⁴⁾ Represents non-cash accruals for amounts to be paid in future periods for properties that converted, off-set by amounts paid in the current period.

	Year Ended December 31, 2021			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Land and land improvements	\$ 449,335	\$ 88,839	\$ 64,843	\$ 603,017
Buildings and improvements	2,347,609	809,328	313,864	3,470,801
Acquired lease intangibles	264,589	—	24,751	289,340
Right of use assets, net	77,455	—	—	77,455
Total net real estate assets	3,138,988	898,167	403,458	4,440,613
Receivables and other assets	6,096	411	3,534	10,041
Total assets acquired ⁽¹⁾	3,145,084	898,578	406,992	4,450,654
Lease liabilities	(138,126)	—	—	(138,126)
Accrued expenses and other liabilities	(191,454)	(8,703)	(266)	(200,423)
Total liabilities acquired	(329,580)	(8,703)	(266)	(338,549)
Noncontrolling interests ⁽²⁾	(4,942)	(6,449)	(16,540)	(27,931)
Cash disbursed for acquisitions	2,810,562	883,426	390,186	4,084,174
Construction in progress additions	322,050	77,412	42,464	441,926
Less: Capitalized interest	(13,834)	(3,078)	(2,440)	(19,352)
Accruals ⁽³⁾	35	—	(4,646)	(4,611)
Cash disbursed for construction in progress	308,251	74,334	35,378	417,963
Capital improvements to existing properties	197,829	37,345	47,414	282,588
Total cash invested in real property, net of cash acquired	\$ 3,316,642	\$ 995,105	\$ 472,978	\$ 4,784,725

⁽¹⁾ Excludes \$4,201,000 of unrestricted and restricted cash acquired.

⁽²⁾ Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

⁽³⁾ Represents non-cash accruals for amounts to be paid in future periods for properties that converted, off-set by amounts paid in the current period.

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Canadian Pension Plan Investment Board ("CPPIB")

During the year ended December 31, 2023, we paid \$69,606,000 to acquire the 45% redeemable noncontrolling ownership interest in two consolidated joint ventures with CPPIB, which owned interests in ten medical office buildings. In conjunction with the transaction, \$118,256,000 was removed from redeemable noncontrolling interests with the difference recorded to capital in excess of par value on our Consolidated Balance Sheets. The transaction is excluded from the table above.

Holiday Retirement Acquisition

On July 30, 2021, we acquired a portfolio of 85 seniors housing properties owned by Holiday Retirement for \$1,576,600,000, which are included in our Seniors Housing Operating segment and in the table above for the year ended December 31, 2021. Atria Senior Living assumed operations of the portfolio following its acquisition of the Holiday Retirement management company pursuant to an incentive-based management agreement. As part of this transaction, a wholly owned subsidiary assumed the leasehold interest in a 26 property portfolio and subsequently purchased eight of the leased properties and one of the properties was sold by the landlord, National Health Investors ("NHI"), and removed from the master lease. Effective April 1, 2022, our leasehold interest related to the master lease with NHI for the remaining 17 properties was terminated as a result of the transition or sale of the properties by NHI. The lease termination was part of an agreement to resolve outstanding litigation with NHI. In conjunction with the agreement, a wholly owned subsidiary and the lessee on the master lease agreed to release \$6,883,000 of cash to the landlord, which represents the net cash flow generated from the properties since we assumed the leasehold interest. Additionally, in conjunction with the lease termination, during the year ended December 31, 2022, we recognized \$58,621,000 in other income on our Consolidated Statements of Comprehensive Income from the derecognition of the right of use asset and related liability.

Affinity Living Communities ("Affinity") Acquisition

In February 2024, we entered into a definitive agreement to acquire 25 Seniors Housing Operating properties for a total purchase price of \$969 million, which will be managed under the Affinity brand. The transaction is expected to be funded through a combination of cash and the assumption of \$523 million of secured debt, subject to customary closing conditions and lender consents.

Construction Activity

The following is a summary of the construction projects that were placed into service and began generating revenues during the periods presented (in thousands):

	Year Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Development projects:			
Seniors Housing Operating	\$ 463,644	\$ 227,796	\$ 117,386
Triple-net	141,142	—	22,990
Outpatient Medical	190,770	44,777	125,179
Total development projects	<u>795,556</u>	<u>272,573</u>	<u>265,555</u>
Expansion projects	71,250	18,280	5,292
Total construction in progress conversions	<u>\$ 866,806</u>	<u>\$ 290,853</u>	<u>\$ 270,847</u>

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4. Real Estate Intangibles

The following is a summary of our real estate intangibles, excluding those related to ground leases or classified as held for sale, as of the dates indicated (dollars in thousands):

	December 31, 2023	December 31, 2022
Assets:		
In place lease intangibles	\$ 2,001,827	\$ 1,817,580
Above market tenant leases	66,663	57,203
Lease commissions	97,980	70,675
Gross historical cost	2,166,470	1,945,458
Accumulated amortization	(1,651,656)	(1,484,048)
Net book value	<u>\$ 514,814</u>	<u>\$ 461,410</u>
Weighted-average amortization period in years	6.7	7.6
Liabilities:		
Below market tenant leases	\$ 70,364	\$ 77,985
Accumulated amortization	(47,939)	(52,701)
Net book value	<u>\$ 22,425</u>	<u>\$ 25,284</u>
Weighted-average amortization period in years	8.4	8.4

The following is a summary of real estate intangible amortization income (expense) for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Rental income related to (above)/below market tenant leases, net	\$ 384	\$ 1,551	\$ 1,680
Amortization related to in place lease intangibles and lease commissions	(226,663)	(217,187)	(115,579)

The future estimated aggregate amortization of intangible assets and liabilities is as follows for the periods presented (in thousands):

	Assets	Liabilities
2024	\$ 212,725	\$ 4,450
2025	76,031	3,534
2026	44,257	2,889
2027	34,860	2,440
2028	29,095	1,834
Thereafter	117,846	7,278
Totals	<u>\$ 514,814</u>	<u>\$ 22,425</u>

5. Dispositions, Real Property Held for Sale and Impairment

We periodically sell properties for various reasons, including favorable market conditions, the exercise of tenant purchase options or reduction of concentrations (e.g. property type, relationship or geography). At December 31, 2023, 15 Seniors Housing Operating, one Triple-net and four Outpatient Medical properties, with an aggregate net real estate balance of \$372,883,000, were classified as held for sale. In addition to the real property balances, secured debt balances of \$185,263,000 and net other assets and (liabilities) of \$21,568,000 were included in the Consolidated Balance Sheets related to the held for sale properties. Expected gross sales proceeds related to the held for sale properties are approximately \$546,568,000, which includes non-cash consideration relating to 14 Canadian Revera properties discussed below.

During the year ended December 31, 2023, we recorded impairment charges of \$15,401,000 related to four Seniors Housing Operating properties and one Triple-net property which were classified as held for sale for which the carrying value exceeded the estimated fair values less costs to sell. Additionally, during 2023 we recorded impairment charges of \$20,696,000 related to three Seniors Housing Operating properties and two Triple-net properties, which were held for use for which the carrying value exceeded the fair values. During the year ended December 31, 2022, we recorded impairment charges of \$13,146,000 related to one Seniors Housing Operating property, which was classified as held for sale. Additionally, we recorded \$4,356,000 of impairment charges related to two Triple-net properties and one Outpatient Medical property that were held for use. During the year ended December 31, 2021, we recorded impairment charges of \$19,567,000 related to four Triple-net properties and one Outpatient Medical property, which were disposed of or classified as held for sale. Additionally, during the year ended December 31, 2021, we recorded \$31,540,000 of impairment charges related to two Seniors Housing Operating and two Triple-net properties that were held for use.

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Operating results attributable to properties sold or classified as held for sale which do not meet the definition of discontinued operations, are not reclassified on our Consolidated Statements of Comprehensive Income. We recognized income (loss) from continuing operations before income taxes and other items from properties sold or classified as held for sale of \$58,816,000 for the year ended December 31, 2023 and \$(8,941,000) and \$11,437,000 for the same periods in 2022 and 2021, respectively.

The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Year Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Real estate dispositions:			
Seniors Housing Operating ⁽¹⁾	\$ 385,128	\$ 85,413	\$ 112,837
Triple-net	6,391	89,827	486,369
Outpatient Medical	—	393	229,660
Total dispositions	391,519	175,633	828,866
Gain (loss) on real estate dispositions, net	67,898	16,043	235,375
Net other assets (liabilities) disposed	(846)	7,820	6,081
Non-cash consideration	(361,830)	—	—
Cash proceeds from real estate dispositions	\$ 96,741	\$ 199,496	\$ 1,070,322

⁽¹⁾ Dispositions occurring in the year ended December 31, 2023 include the disposition of unconsolidated equity method investments related to Revera. See discussion below for further information.

Strategic Dissolution of Revera Joint Ventures

During the year ended December 31, 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera, while simultaneously selling interests in 31 properties to Revera.

In June 2023, we closed the U.K. portfolio portion of the transaction through the acquisition of the remaining ownership interest in 29 properties previously held in two separate consolidated joint venture structures in which we owned 75% and 90% of the interests in exchange for the disposition to Revera of our interests in four properties. In addition, we received cash from Revera of \$107,341,000 relating to the net settlement of loans previously made to the joint ventures. Operations for the 29 retained properties were transitioned to Avery Healthcare.

Total proceeds related to the four properties disposed were \$222,521,000, which included non-cash consideration from Revera of \$241,728,000, comprised of the fair value of interests received by us of \$198,837,000 and an allocation of Revera's noncontrolling interests of \$42,891,000, partially offset by \$9,049,000 of transaction-related expenses as well as the \$10,158,000 of cash paid to equalize the value exchanged between the parties. We disposed of net real property owned of \$224,208,000, resulting in a loss of \$1,687,000 recognized within gain (loss) on real estate dispositions, net within our Consolidated Statements of Comprehensive Income. Consideration transferred to acquire the additional interests in the 29 properties was comprised of the fair value of interests transferred by us of \$198,837,000 and \$5,776,000 of cash paid for transaction-related expenses. We derecognized \$180,497,000 of noncontrolling interests and \$22,270,000 of liabilities previously due to Revera with an adjustment of \$1,846,000 recognized in capital in excess of par value. The non-cash investing activity with respect to the sale of the four properties and non-cash financing activity with respect to the acquisition of Revera's interests in the 29 properties has been excluded from our Consolidated Statement of Cash Flows.

We closed the portion of the transactions predominantly related to the U.S. portfolio during the third quarter of 2023 through (i) the acquisition of the remaining interests in ten properties currently under development or recently developed by Sunrise Senior Living that were previously held within an equity method joint venture owned 34% by us and 66% by Revera, (ii) the disposition of our minority interests in 12 U.S. properties and one Canadian development project and (iii) the disposition of our 34% interest in the Sunrise Senior Living management company. We recorded net real estate investments of \$479,525,000 related to the ten acquired and now consolidated properties, which was comprised of \$31,456,000 of cash consideration and \$448,069,000 of non-cash consideration. Non-cash consideration primarily includes \$270,486,000 of assumed mortgage debt secured by the acquired properties, which was subsequently repaid in full by us immediately following the transaction, \$47,734,000 of carryover investment from our prior 34% equity method ownership interest and \$119,258,000 of fair value interests in the 13 properties transferred by us to Revera. We also derecognized \$56,905,000 of equity method investments related to the 13 properties retained by Revera and recorded a gain on real estate dispositions of \$62,075,000. In conjunction with this transaction, operations for two of the now wholly owned properties, along with operations for 26 existing wholly owned properties, transitioned to Oakmont Management Group. The non-cash investing activity with respect to the fair value of interests exchanged in the transaction, non-cash investing activity with respect to the carrying value of prior equity method interests now included in the basis of the acquired properties and non-cash financing activity with respect to the assumption of the secured mortgage debt have been excluded from our Consolidated Statements of Cash Flows.

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The Canadian portfolio consists of 85 properties in a joint venture owned 75% by us and 25% by Revera. As a part of the transaction, we intend to acquire Revera's interest in 71 properties and sell our interests in the remaining 14 properties. As of December 31, 2023, operations for all 71 retained properties have transitioned to new operators. The transaction is expected to close in the first half of 2024.

Genesis HealthCare

As part of the substantial exit of the Genesis HealthCare ("Genesis") operating relationship, which we disclosed on March 2, 2021, we transitioned the sublease of a portfolio of seven facilities from Genesis to Complete Care Management in the second quarter of 2021. As part of the March 2021 transaction, we entered into a forward sale agreement for the seven properties valued at \$182,618,000, which was expected to close when the Welltower-held purchase option became exercisable. As of March 31, 2023, the right of use assets related to the properties were \$115,359,000 and were reflected as held for sale with the corresponding lease liabilities of \$66,530,000 on our Consolidated Balance Sheet.

On May 1, 2023, we executed a series of transactions that included the assignment of the leasehold interest to a newly formed tri-party unconsolidated joint venture with Aurora Health Network, Peace Capital (an affiliate of Complete Care Management) and us, and culminated with the closing of the purchase option by the joint venture. The transactions resulted in net cash proceeds to us of \$104,240,000 (excluded from the dispositions table above) after our retained interest of \$11,571,000 in the joint venture and a gain from the loss of control and derecognition of the leasehold interest of \$65,485,000, which we recorded in other income within our Consolidated Statements of Comprehensive Income.

6. Leases

We lease land, buildings, office space and certain equipment. Many of our leases include a renewal option to extend the term from one to 25 years or more. Renewal options that we are reasonably certain to exercise are recognized in our right-of-use assets and lease liabilities. As most of our leases do not provide a rate implicit in the lease agreement, we generally use our incremental borrowing rate available at lease commencement, underlying collateral for the lease and the ability to borrow against that collateral on a secured basis to determine the present value of lease payments. The incremental borrowing rates were determined using our longer term borrowing rates (actual pricing through 30 years, as well as other longer term market rates).

The components of lease expense were as follows for the periods presented (in thousands):

	Classification	Year Ended December 31,		
		2023	2022	2021
Operating lease cost: ⁽¹⁾				
Real estate lease expense	Property operating expenses	\$ 21,970	\$ 22,150	\$ 22,642
Non-real estate investment lease expense	General and administrative expenses	7,243	5,794	4,596
Finance lease cost:				
Amortization of leased assets	Property operating expenses	5,854	6,837	8,105
Interest on lease liabilities	Interest expense	4,050	6,164	6,574
Sublease income	Rental income	(3,933)	(11,487)	(8,687)
Total		\$ 35,184	\$ 29,458	\$ 33,230

⁽¹⁾ Includes short-term leases which are immaterial.

Maturities of lease liabilities as of December 31, 2023 are as follows (in thousands):

	Operating Leases	Finance Leases
2024	\$ 19,329	\$ 5,547
2025	18,800	3,980
2026	16,637	4,030
2027	16,494	3,991
2028	16,291	3,948
Thereafter	863,847	369,892
Total lease payments	951,398	391,388
Less: Imputed interest	(647,845)	(311,711)
Total present value of lease liabilities	\$ 303,553	\$ 79,677

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Supplemental balance sheet information related to leases in which we are the lessee is as follows for the periods presented (in thousands, except lease terms and discount rate):

	Classification	December 31, 2023	December 31, 2022
Right of use assets:			
Operating leases - real estate	Right of use assets, net	\$ 283,293	\$ 287,984
Finance leases - real estate	Right of use assets, net	67,676	35,958
Real estate right of use assets, net		350,969	323,942
Operating leases - non-real estate investments	Receivables and other assets	11,338	10,119
Finance leases - held for sale ⁽¹⁾	Real property held for sale, net of accumulated depreciation	—	116,453
Total right of use assets, net		\$ 362,307	\$ 450,514
Lease liabilities:			
Operating leases		\$ 303,553	\$ 302,360
Finance leases		79,677	113,464
Total lease liabilities		\$ 383,230	\$ 415,824
Weighted average remaining lease term (years):			
Operating leases		45.6	46.0
Finance leases		60.7	19.8
Weighted average discount rate:			
Operating leases		5.27 %	5.56 %
Finance leases		7.71 %	5.01 %

⁽¹⁾ During the year ended December 31, 2023, we contributed finance leases at seven properties previously classified as held for sale into a newly formed unconsolidated joint venture, which recognized the purchase option within the leases. See Note 5 for further discussion.

Supplemental cash flow information related to leases was as follows for the periods indicated (in thousands):

	Classification	Year Ended December 31,		
		2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	Decrease (increase) in receivables and other assets	\$ (590)	\$ 8,805	\$ 9,081
Operating cash flows from operating leases	Increase (decrease) in accrued expenses and other liabilities	(2,037)	(5,570)	(6,008)
Operating cash flows from finance leases	Decrease (increase) in receivables and other assets	3,061	8,672	8,336
Financing cash flows from finance leases	Other financing activities	(2,704)	(2,255)	(3,578)

Substantially all of our operating leases in which we are the lessor contain escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. During the years ended December 31, 2023, 2022 and 2021, we wrote-off previously recognized straight-line rent receivable balances of \$16,642,000, \$0 and \$49,241,000, respectively, through a reduction of rental income, which relate to leases for which collection of substantially all contractual lease payments were no longer deemed probable.

Leases in our Triple-net and Outpatient Medical portfolios typically include some form of operating expense reimbursement by the tenant. Rental income related to operating leases and the corresponding variable lease payments, which primarily represents the reimbursement of operating costs such as common area maintenance expenses, utilities, insurance and real estate taxes for the periods indicated were as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Fixed income from operating leases	\$ 1,344,096	\$ 1,258,238	\$ 1,193,837
Variable lease income	211,977	193,548	180,858

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For the majority of our Seniors Housing Operating segment, revenue from resident fees and services is predominantly service-based, and as such, resident agreements are accounted for under ASC 606. Within that reportable segment, we also recognize revenue from residential seniors apartment leases in accordance with ASC 842. The amount of revenue related to these leases was \$466,162,000, \$410,749,000 and \$194,078,000 for the years ended December 31, 2023, 2022 and 2021, respectively.

The following table sets forth the future minimum lease payments receivable for leases in effect at December 31, 2023 (excluding properties in our Seniors Housing Operating portfolio and excluding any operating expense reimbursements) (in thousands):

2024	\$	1,391,509
2025		1,379,176
2026		1,343,749
2027		1,323,525
2028		1,307,766
Thereafter		10,469,656
Totals	\$	<u>17,215,381</u>

7. Loans Receivable

Loans receivable are recorded on our Consolidated Balance Sheets in real estate loans receivable, net of allowance for credit losses, or for non-real estate loans receivable, in receivables and other assets, net of allowance for credit losses.

Accrued interest receivable was \$31,798,000 and \$22,878,000 as of December 31, 2023 and December 31, 2022, respectively, and is included in receivables and other assets on the Consolidated Balance Sheets. The following is a summary of our loans receivable (in thousands):

	Year Ended December 31,	
	2023	2022
Mortgage loans	\$ 1,057,516	\$ 707,464
Other real estate loans	324,660	195,566
Allowance for credit losses on real estate loans receivable	(20,589)	(12,186)
Real estate loans receivable, net of credit allowance	1,361,587	890,844
Non-real estate loans	503,993	441,231
Allowance for credit losses on non-real estate loans receivable	(173,874)	(152,063)
Non-real estate loans receivable, net of credit allowance	330,119	289,168
Total loans receivable, net of credit allowance	<u>\$ 1,691,706</u>	<u>\$ 1,180,012</u>

The following is a summary of our loan activity for the periods presented (in thousands):

	Year Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Advances on loans receivable	\$ 490,736	\$ 156,045	\$ 997,449
Less: Receipts on loans receivable	90,215	196,310	343,260
Net cash advances (receipts) on loans receivable	<u>\$ 400,521</u>	<u>\$ (40,265)</u>	<u>\$ 654,189</u>

During the year ended December 31, 2021, we provided £540 million (approximately \$750,330,000 based on the Sterling/ U.S. Dollar exchange rate as of the date of funding) of senior loan financing and a £30 million delayed facility for working capital and capital expenditures to affiliates of Safanad, a global real estate and private equity firm, as part of the recapitalization of its investment in HC-One Group ("HC-One"). During the year ended December 31, 2023, we amended the loan agreement to provide an additional £65 million of financing relating to HC-One's acquisition of an operating platform and extended the maturity to October 2028. As of December 31, 2023, the outstanding principal balance on the expanded loan is £611,453,000 (approximately \$779,175,000 based on the Sterling/U.S. Dollar exchange rate as of December 31, 2023). As part of the original loan and as part of the 2023 expansion, we received equity warrants, which provide us the right to participate in the capital appreciation of HC-One above a designated price upon liquidation. See Note 12 for additional details.

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The following is a summary of our loans by credit loss category (in thousands):

Loan category	December 31, 2023				
	Years of Origination	Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2023	\$ 215,283	\$ (172,045)	\$ 43,238	9
Collective loan pool	2007 - 2018	227,810	(3,028)	224,782	14
Collective loan pool	2019	23,960	(319)	23,641	4
Collective loan pool	2020	34,938	(464)	34,474	5
Collective loan pool	2021	871,754	(11,794)	859,960	11
Collective loan pool	2022	126,324	(1,680)	124,644	18
Collective loan pool	2023	386,100	(5,133)	380,967	17
Total loans		<u>\$ 1,886,169</u>	<u>\$ (194,463)</u>	<u>\$ 1,691,706</u>	<u>78</u>

During the year ended December 31, 2021, we entered into definitive agreements to substantially exit our operating relationship with Genesis primarily through the transition of 51 properties to other operators. To effectuate this transition, we agreed to provide Genesis a lease termination fee of \$86,310,000 upon successful transition of all properties, which was to be used to immediately repay indebtedness to us. These property transitions substantially occurred throughout 2021, and as of December 31, 2023, \$85,043,000 of the lease termination fee has been earned by Genesis and repaid to us to reduce substantially all of the outstanding balance of this indebtedness.

Additionally, upon achievement of certain restructuring milestones, we agreed to reduce the balance of Genesis' unsecured notes payable to us by an additional \$169,771,000 in exchange for an equity interest in Genesis. As of December 31, 2023, the amount of the potential reduction of the balance of these unsecured notes has increased to \$238,104,000 due to accrued unpaid interest. The maturity date on the unsecured notes has been extended to March 29, 2024. The unsecured notes are included in the deteriorated loan category, and per our policy have had no interest recognized in the three years ended December 31, 2023. The achievement of milestones required for forgiveness has not yet occurred and as of December 31, 2023, the outstanding contractual balance of the unsecured notes, before potential debt reduction, is \$290,296,000 and the carrying value is \$24,246,000 after application of an allowance for credit losses and consideration of unrecognized interest.

During the year ended December 31, 2023, certain secured indebtedness payable by Genesis to us, which has a carrying value of \$166,859,000, was modified to extend the maturity date to March 29, 2024, with no other changes to the terms. Both the unsecured and the secured notes with Genesis are included in non-real estate loans receivable.

The total allowance for credit losses is deemed to be sufficient to absorb expected losses relating to our loan portfolio. The following is a summary of the allowance for credit losses on loans receivable for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 164,249	\$ 166,785	\$ 224,036
Provision for loan losses, net ⁽¹⁾	8,797	(1,394)	7,270
Loan write-offs ⁽²⁾	—	—	(64,075)
Purchased deteriorated loan	19,077	—	—
Reserve for unrecognized interest added to principal	2,066	—	—
Foreign currency translation	274	(1,142)	(446)
Balance at end of year	<u>\$ 194,463</u>	<u>\$ 164,249</u>	<u>\$ 166,785</u>

⁽¹⁾ Excludes the provision for loan loss on held-to-maturity debt securities.

⁽²⁾ Includes \$64,075,000 related to the Genesis lease terminations for the twelve months ended December 31, 2021.

The following is a summary of our deteriorated loans (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Balance of deteriorated loans at end of year	\$ 215,283	\$ 174,841	\$ 178,369
Allowance for credit losses	(172,045)	(148,438)	(148,438)
Balance of deteriorated loans not reserved	<u>\$ 43,238</u>	<u>\$ 26,403</u>	<u>\$ 29,931</u>
Interest recognized on deteriorated loans ⁽¹⁾	\$ 1,681	\$ —	\$ 3,185

⁽¹⁾ Represents cash interest recognized in the period.

WELLTOWER INC. AND SUBSIDIARIES
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8. Investments in Unconsolidated Entities

We participate in a number of joint ventures, which generally invest in seniors housing and health care real estate. Our share of the results of operations for these properties has been included in our consolidated results of operations from the date of acquisition by the joint ventures and are reflected in our Consolidated Statements of Comprehensive Income as income or loss from unconsolidated entities. The following is a summary of our investments in unconsolidated entities (dollars in thousands):

	Percentage Ownership ⁽¹⁾	December 31, 2023	December 31, 2022
Seniors Housing Operating	10% to 95%	\$ 1,248,774	\$ 1,171,307
Triple-net	10% to 88%	147,679	111,812
Outpatient Medical	15% to 50%	240,078	216,671
Total		<u>\$ 1,636,531</u>	<u>\$ 1,499,790</u>

⁽¹⁾ As of December 31, 2023 and includes ownership of investments classified as liabilities and excludes ownership of in-substance real estate.

During the year ended December 31, 2023, we recognized \$35,293,000 of impairment losses related to investments in unconsolidated entities in our Consolidated Statements of Comprehensive Income as income or loss from unconsolidated entities. No such impairment losses were recognized during the years ended December 31, 2022 or 2021.

Through June 30, 2023, we owned 34% of Sunrise Senior Living Management, Inc. ("Sunrise ManCo"), who provided comprehensive property management and accounting services with respect to certain of our Seniors Housing Operating properties operated by Sunrise. We pay Sunrise annual management fees pursuant to long-term management agreements. The majority of our management agreements have initial terms expiring in 2028, plus, if applicable, optional renewal periods ranging from an additional 3 to 15 years depending on the property. The management fees payable to Sunrise under the management agreements include a fee based on a percentage of revenues generated by the applicable properties plus, if applicable, positive or negative adjustments based on specified performance targets. For the period in which we owned Sunrise ManCo in 2023, we recognized management fees of \$14,185,000 which are reflected within property operating expenses in our Consolidated Statements of Comprehensive Income. For the years ended December 31, 2022 and 2021, we recognized \$27,660,000 and \$37,052,000 of management fees, respectively. Prior to the sale of our interest in Sunrise ManCo we recognized an impairment charge of \$28,708,000 in income from unconsolidated entities on our Consolidated Statements of Comprehensive Income for the year ended December 31, 2023, calculated as the excess of the carrying value of our investment in the management company compared to estimated sales proceeds for its sale.

At December 31, 2023, the aggregate unamortized basis difference of our joint venture investments of \$144,144,000 is primarily attributable to the difference between the amount for which we purchased our interest in the entity, including transaction costs, and the historical carrying value of the net assets of the joint venture. This difference is being amortized over the remaining useful life of the related properties and included in the reported amount of income from unconsolidated entities.

We have made loans related to 24 properties as of December 31, 2023 for the development and construction of certain properties which are classified as in substance real estate investments and have a carrying value of \$832,746,000. We believe that such borrowers typically represent VIEs in accordance with ASC 810. VIEs are required to be consolidated by their primary beneficiary, which is the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We have concluded that we are not the primary beneficiary of such borrowers, therefore, the loan arrangements were assessed based on among other factors, the amount and timing of expected residual profits, the estimated fair value of the collateral and the significance of the borrower's equity in the project. Based on these assessments the arrangements have been classified as in substance real estate investments. We expect to fund an additional \$195,763,000 related to these investments.

WELLTOWER INC. AND SUBSIDIARIES
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9. Credit Concentration

We use consolidated net operating income ("NOI") as our credit concentration metric. See Note 18 for additional information and reconciliation. The following table summarizes certain information about our credit concentration for the year ended December 31, 2023, excluding our share of NOI in unconsolidated entities (dollars in thousands):

Concentration by relationship: ⁽¹⁾	Number of Properties	Total NOI	Percent of NOI ⁽²⁾
Integra Healthcare Properties	147	\$ 215,466	8%
Sunrise Senior Living ⁽³⁾	88	150,801	6%
Cogir Management Corporation	120	112,571	4%
Avery Healthcare	84	100,017	4%
Oakmont Management Group	64	94,487	4%
Remaining portfolio	1,398	2,016,877	74%
Totals	<u>1,901</u>	<u>\$ 2,690,219</u>	<u>100%</u>

⁽¹⁾ Integra Healthcare Properties is in our Triple-net segment. Sunrise Senior Living ("Sunrise"), Cogir Management Corporation and Oakmont Management Group are in our Seniors Housing Operating segment. Avery Healthcare is in both our Seniors Housing Operating and Triple-net segments.

⁽²⁾ NOI with our top five relationships comprised 30% of total NOI for the year ending December 31, 2022.

⁽³⁾ For the year ended December 31, 2023, we recognized \$793,920,000 of revenue from properties managed by Sunrise.

In December 2022, ProMedica relinquished to Welltower its 15% interest in 147 skilled nursing facilities previously owned by the Welltower/ProMedica joint venture in exchange for a lease modification, which relieved ProMedica from its lease obligation on the properties and amended the lease on the remaining 58 assisted living and memory care properties that continue to be held by the Welltower/ProMedica joint venture. The reduction of ProMedica's noncontrolling interest of \$273,504,000 resulting from its relinquishment of the interest in the joint venture previously holding the 147 skilled nursing facilities is a non-cash financing activity excluded from our Consolidated Statement of Cash Flows. The 58 assisted living and memory care assets continue to be operated by ProMedica and backed by the existing guaranty.

Concurrently with the above, Welltower and Integra Healthcare Properties ("Integra") entered into master leases for the skilled nursing portfolio, which were subsequently subleased to regional operators. Also in December 2022, we sold to Integra a 15% ownership interest in 54 of those skilled nursing facilities for approximately \$73 million, with no gain recognized as the properties continue to be consolidated following the transaction. This transaction represents the initial tranche of the newly formed joint venture owned 85% by Welltower and 15% by Integra. In January 2023, Integra acquired a 15% interest in an additional 31 of the remaining 93 skilled nursing facilities for approximately \$74 million.

10. Borrowings Under Credit Facilities and Commercial Paper Program

At December 31, 2023, we had a primary unsecured credit facility with a consortium of 31 banks that included a \$4,000,000,000 unsecured revolving credit facility, a \$1,000,000,000 unsecured term credit facility and a \$250,000,000 Canadian-denominated unsecured term credit facility. The unsecured revolving credit facility is comprised of a \$1,000,000,000 tranche that matures on June 4, 2026 (none outstanding at December 31, 2023) and a \$3,000,000,000 tranche that matures on June 4, 2025 (none outstanding at December 31, 2023). The term credit facilities mature on July 19, 2026. Each tranche of the revolving facility and term loans may be extended for two successive terms of six months at our option. We have an option, through an accordion feature, to upsize the unsecured revolving credit facility and the \$1,000,000,000 unsecured term credit facility by up to an additional \$1,250,000,000, in the aggregate, and the \$250,000,000 Canadian-denominated unsecured term credit facility by up to an additional \$250,000,000. The primary unsecured credit facility also allows us to borrow up to \$1,000,000,000 in alternate currencies (none outstanding at December 31, 2023). Borrowings under the unsecured revolving credit facility are subject to interest payable at the applicable margin over the secured overnight financing rate ("SOFR") interest rate. Based on our current credit ratings, the loans under the unsecured revolving credit facility currently bear interest at 0.775% over the adjusted SOFR rate at December 31, 2023. In addition, we pay a facility fee quarterly to each bank based on the bank's commitment amount. The facility fee depends on our debt ratings and was 0.15% at December 31, 2023.

Under the terms of our commercial paper program, we may issue unsecured commercial paper notes with maturities that vary, but do not exceed 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of \$1,000,000,000 (none outstanding at December 31, 2023).

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The following information relates to aggregate borrowings under the unsecured revolving credit facility and commercial paper program for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Balance outstanding at year end	\$ —	\$ —	\$ 325,000
Maximum amount outstanding at any month end	\$ 205,000	\$ 1,565,000	\$ 994,000
Average amount outstanding (total of daily principal balances divided by days in period)	\$ 16,233	\$ 766,167	\$ 384,418
Weighted-average interest rate (actual interest expense divided by average borrowings outstanding)	5.05 %	1.75 %	0.33 %

11. Senior Unsecured Notes and Secured Debt

At December 31, 2023, the annual principal payments due on debt obligations were as follows (in thousands):

	Senior Unsecured Notes ^(1,2)	Secured Debt ⁽³⁾	Totals
2024	\$ 1,350,000	\$ 400,258	\$ 1,750,258
2025	1,260,000	428,821	1,688,821
2026	700,000	155,500	855,500
2027 ^(4,5)	1,916,604	210,091	2,126,695
2028 ⁽⁶⁾	2,485,865	107,546	2,593,411
Thereafter ⁽⁷⁾	5,987,150	920,229	6,907,379
Total principal balance	\$ 13,699,619	\$ 2,222,445	\$ 15,922,064
Unamortized discounts and premiums, net	(26,271)	—	(26,271)
Unamortized debt issuance costs, net	(72,812)	(20,237)	(93,049)
Fair value adjustments and other, net	(48,314)	(18,881)	(67,195)
Total carrying value of debt	\$ 13,552,222	\$ 2,183,327	\$ 15,735,549

⁽¹⁾ Annual interest rates range from 2.05% to 7.02%. The ending weighted average interest rate, after considering the effects of interest rate swaps, was 4.05%, 4.06%, and 3.67% as of December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

⁽²⁾ All senior unsecured notes with the exception of the \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued by Welltower OP and are fully and unconditionally guaranteed by Welltower. The \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued through private placement by a wholly owned subsidiary of Welltower OP and are fully and unconditionally guaranteed by Welltower OP.

⁽³⁾ Annual interest rates range from 1.25% to 8.13%. The ending weighted average interest rate, after considering the effects of interest rate swaps and caps, was 4.76%, 4.33%, and 3.03% as of December 31, 2023, December 31, 2022, and December 31, 2021, respectively. Gross real property value of the properties securing the debt totaled \$5,511,479,000 at December 31, 2023.

⁽⁴⁾ Includes a \$1,000,000,000 unsecured term loan and a \$250,000,000 Canadian-denominated unsecured term loan (approximately \$189,365,000 based on the Canadian/U.S. Dollar exchange rate on December 31, 2023). Both term loans mature on July 19, 2026 and may be extended for two successive terms of six months at our option. The loans bear interest at adjusted SOFR plus 0.85% (6.31% at December 31, 2023) and Canadian Dealer Offered Rate plus 0.85% (6.31% at December 31, 2023), respectively.

⁽⁵⁾ Includes \$300,000,000 of Canadian-denominated 2.95% senior unsecured notes due 2027 (approximately \$227,239,000 based on the Canadian/U.S. Dollar exchange rate on December 31, 2023).

⁽⁶⁾ Includes £550,000,000 of 4.80% senior unsecured notes due 2028 (approximately \$700,865,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on December 31, 2023).

⁽⁷⁾ Includes £500,000,000 of 4.50% senior unsecured notes due 2034 (approximately \$637,150,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on December 31, 2023).

The following is a summary of our senior unsecured notes principal activity during the periods presented (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 12,584,529	\$ 11,707,961	\$ 11,509,533
Debt issued	1,035,000	1,050,000	1,750,000
Debt extinguished	—	—	(1,533,752)
Foreign currency	80,090	(173,432)	(17,820)
Ending balance	\$ 13,699,619	\$ 12,584,529	\$ 11,707,961

In January 2024, we repaid our \$400,000,000 4.5% senior unsecured notes at maturity.

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Welltower, the parent entity that consolidates Welltower OP and all other subsidiaries, fully and unconditionally guarantees to each holder of all series of senior unsecured notes issued by Welltower OP that the principal of and premium, if any, and interest on the notes will be promptly paid in full when due, whether at the applicable maturity date, by acceleration or redemption or otherwise, and interest on the overdue principal of and interest on the notes, if any, if lawful, and all other obligations of Welltower OP to the holders of the notes will be promptly paid in full or performed. Welltower's guarantees of such notes are its senior unsecured obligation and rank equally with all of Welltower's other future unsecured senior indebtedness and guarantees from time to time outstanding. Welltower's guarantees of such notes are effectively subordinated to all liabilities of its subsidiaries and to its secured indebtedness to the extent of the assets securing such indebtedness. Because Welltower conducts substantially all of its business through its subsidiaries, Welltower's ability to make required payments with respect to the guarantees depends on the financial results and condition of its subsidiaries and its ability to receive funds from its subsidiaries, whether by dividends, loans, distributions or other payments.

We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, subject to certain contractual restrictions, at a redemption price equal to the sum of: (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any "make-whole" amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Exchangeable Senior Unsecured Notes

In May 2023, Welltower OP issued \$1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028 (the "Exchangeable Notes" or the "Notes") unless earlier exchanged, purchased or redeemed. The Exchangeable Notes will pay interest semi-annually in arrears on May 15 and November 15 of each year. The net proceeds from the offering of the Exchangeable Notes were approximately \$1,011,780,000 after deducting the underwriting fees and other expenses. We recognized contractual interest expense on the Exchangeable Notes of approximately \$18,184,000 for the year end December 31, 2023. Additionally, amortization of related issuance costs for the year end December 31, 2023 were \$2,975,000. Unamortized issuance costs were \$20,245,000 as of December 31, 2023.

Prior to the close of business on the business day immediately preceding November 15, 2027, the Notes are exchangeable at the option of the holders only upon certain circumstances and during certain periods, including upon a notice of redemption described below. On or after November 15, 2027, the Notes will be exchangeable at the option of the holders at any time prior to the close of business on the second scheduled trading day preceding the maturity date. Welltower OP will settle exchanges of the Notes by delivering cash up to the principal amount of the Notes exchanged and, in respect of the remainder of the exchanged value, if any, in excess thereof, cash or shares of Welltower's common stock, or a combination thereof, at the election of Welltower OP. The exchange rate initially equals 10.4808 shares of common stock per \$1,000 principal amount of Notes (equivalent to an exchange price of approximately \$95.41 per share of common stock). The exchange rate is subject to adjustment upon the occurrence of certain events but will not be adjusted for any accrued and unpaid interest.

Welltower OP may redeem the Notes, at its option, in whole or in part, on any business day on or after May 20, 2026, if the last reported sales price of the common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which Welltower OP provides notice of redemption. The redemption price will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to but excluding the redemption date.

The following is a summary of our secured debt principal activity for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 2,129,954	\$ 2,202,312	\$ 2,378,073
Debt issued	385,115	113,183	23,569
Debt assumed	428,578	328,096	—
Debt extinguished	(687,780)	(399,066)	(132,031)
Principal payments	(54,076)	(58,114)	(65,587)
Foreign currency	20,654	(56,457)	(1,712)
Ending balance	<u>\$ 2,222,445</u>	<u>\$ 2,129,954</u>	<u>\$ 2,202,312</u>

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of December 31, 2023, we were in compliance in all material respects with all of the covenants under our debt agreements.

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12. Derivative Instruments

We are exposed to, among other risks, the impact of changes in foreign currency exchange rates as a result of our non-U.S. investments and interest rate risk related to our capital structure. Our risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes foreign currency forward contracts, cross currency swap contracts, interest rate swaps, interest rate locks and debt issued in foreign currencies to offset a portion of these risks.

Cash Flow Hedges and Fair Value Hedges of Interest Rate Risk

We enter into interest rate swaps in order to maintain a capital structure containing targeted amounts of fixed and floating-rate debt and manage interest rate risk. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our fixed-rate payments. These interest rate swap agreements are used to hedge the variable cash flows associated with variable-rate debt.

Interest rate swaps designated as fair value hedges involve the receipt of fixed amounts from a counterparty in exchange for our variable-rate payments. These interest rate swap agreements hedge the exposure to changes in the fair value of fixed-rate debt attributable to changes in the designated benchmark interest rate. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in earnings. We record the gain or loss on the hedged items in interest expense, the same line item as the offsetting loss or gain on the related interest rate swaps. In March 2022, we entered into a fixed to floating swap in connection with our March 2022 senior note issuance. As of December 31, 2023, the carrying amount of the notes, exclusive of the hedge, is \$545,872,000. The fair value of the swap as of December 31, 2023 was (\$48,314,000) and was recorded as a derivative liability with an offset to senior unsecured notes on our Consolidated Balance Sheets.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into earnings over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately recognized in the Consolidated Statements of Comprehensive Income. Approximately \$2,562,000 of losses, which are included in other comprehensive income ("OCI"), are expected to be reclassified into earnings in the next 12 months.

Cash flows from derivatives accounted for as a fair value or cash flow hedge are classified in the same category as the cash flows from the items being hedged in the Consolidated Statement of Cash Flows.

Foreign Currency Forward Contracts and Cross Currency Swap Contracts Designated as Net Investment Hedges

We use foreign currency forward and cross currency forward swap contracts to hedge a portion of the net investment in foreign subsidiaries against fluctuations in foreign exchange rates. For instruments that are designated and qualify as net investment hedges, the variability in the foreign currency to U.S. Dollar of the instrument is recorded as a cumulative translation adjustment component of OCI.

During the years ended December 31, 2023, 2022, and 2021 we settled certain net investment hedges generating cash proceeds of \$29,553,000, \$61,853,000 and \$14,505,000, respectively. The balance of the cumulative translation adjustment will be reclassified to earnings if the hedged investment is sold or substantially liquidated.

Derivative Contracts Undesignated

We use foreign currency exchange contracts to manage existing exposures to foreign currency exchange risk. Gains and losses resulting from the changes in fair value of these instruments are recorded in interest expense on the Consolidated Statements of Comprehensive Income and are substantially offset by net revaluation impacts on foreign currency denominated balance sheet exposures. In addition, we have several interest rate cap contracts related to variable rate secured debt agreements. Gains and losses resulting from the changes in fair values of these instruments are also recorded in interest expense.

Equity Warrants

We received equity warrants through our lending activities further described in Note 7, which were accounted for as loan origination fees. The warrants provide us the right to participate in the capital appreciation of the underlying HC-One real estate portfolio above a designated price upon liquidation and contain net settlement terms qualifying as derivatives under ASC Topic 815. The warrants are classified within receivables and other assets on our Consolidated Balance Sheets. These warrants are measured at fair value with changes in fair value being recognized within gain (loss) on derivatives and financial instruments in our Consolidated Statements of Comprehensive Income.

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The following presents the notional amount of derivatives and other financial instruments as of the dates indicated (in thousands):

	December 31, 2023		December 31, 2022	
Derivatives designated as net investment hedges:				
Denominated in Canadian Dollars	\$	2,025,000	\$	1,075,000
Denominated in Pound Sterling	£	1,660,708	£	1,890,708
Financial instruments designated as net investment hedges:				
Denominated in Canadian Dollars	\$	250,000	\$	250,000
Denominated in Pound Sterling	£	1,050,000	£	1,050,000
Interest rate swaps and caps designated as cash flow hedges:				
Denominated in U.S. Dollars ⁽¹⁾	\$	872,601	\$	25,000
Interest rate swaps designated as fair value hedges:				
Denominated in U.S. Dollars	\$	550,000	\$	550,000
Derivative instruments not designated:				
Interest rate caps denominated in U.S. Dollars	\$	—	\$	26,137
Foreign currency exchange contracts denominated in Canadian Dollars	\$	80,000	\$	80,000

⁽¹⁾ At December 31, 2023 the maximum maturity date was September 1, 2028.

The following presents the impact of derivative instruments on the Consolidated Statements of Comprehensive Income for the periods presented (in thousands):

Description	Location	Year Ended		
		December 31, 2023	December 31, 2022	December 31, 2021
Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	\$ 18,068	\$ 28,894	\$ 23,133
Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	\$ (1,383)	\$ 4,255	\$ (433)
Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments, net	\$ 2,218	\$ (6,837)	\$ 10,361
Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	\$ (245,095)	\$ 442,620	\$ 79,702

13. Commitments and Contingencies

At December 31, 2023, we had 23 outstanding letter of credit obligations totaling \$49,680,000 and expiring during 2024 and 2025. At December 31, 2023, we had outstanding construction in progress of \$1,304,441,000 and were committed to providing additional funds of approximately \$966,829,000 to complete construction. Additionally, at December 31, 2023, we had outstanding investments classified as in substance real estate of \$832,746,000 and were committed to provide additional funds of \$195,763,000 (see Note 8 for additional information). Purchase obligations include \$969 million representing a definitive agreement to acquire 25 Seniors Housing Operating properties entered into in February 2024 (see Note 3 for additional information) and \$39,387,000 of contingent purchase obligations to fund capital improvements. Rents due from the tenants are increased to reflect the additional investment in the property.

14. Stockholders' Equity

The following is a summary of our stockholders' equity capital accounts as of the dates indicated:

	December 31, 2023	December 31, 2022
Preferred Stock, \$1.00 par value:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, \$1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	566,001,632	492,283,488
Outstanding shares	564,241,181	490,508,937

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Common Stock

In August 2023, we entered into an equity distribution agreement whereby we can offer and sell up to \$4,000,000,000 aggregate amount of our common stock ("ATM Program", as amended from time to time). The ATM Program also allows us to enter into forward sale agreements (none outstanding at December 31, 2023). As of December 31, 2023, we had \$1,854,611,000 of remaining capacity under the ATM Program. Subsequent to December 31, 2023, we sold 5,046,308 shares of common stock under the ATM Program.

In November 2023, we issued 20,125,000 shares of common stock. The shares were sold pursuant to an underwriting agreement, dated as of November 6, 2023.

On May 1, 2020, our Board of Directors authorized a share repurchase program whereby we may repurchase up to \$1 billion of common stock through December 31, 2021. On November 7, 2022, our Board of Directors approved a follow-on share repurchase program for up to \$3 billion of common stock (the "Stock Repurchase Program"). Under the Stock Repurchase Program, we are not required to purchase shares but may choose to do so in the open market or through privately-negotiated transactions, through block trades, by effecting a tender offer, by way of an accelerated share repurchase program, through the purchase of call options or the sale of put options, or otherwise, or by any combination of the foregoing. We expect to finance any share repurchases using available cash and may use proceeds from borrowings or debt offerings. The Stock Repurchase Program has no expiration date and does not obligate us to repurchase any specific number of shares. We did not repurchase any shares of our common stock during the years ended December 31, 2023, 2022, and 2021.

The following is a summary of our common stock issuances during the periods indicated (dollars in thousands, except shares and average price amounts):

	Shares Issued	Average Price	Gross Proceeds	Net Proceeds
2021 Option exercises	338	\$ 56.21	\$ 19	\$ 19
2021 ATM Program issuances	29,667,348	80.41	2,385,683	2,348,182
2021 Stock incentive plans, net of forfeitures	171,189		—	—
2021 Totals	<u>29,838,875</u>		<u>\$ 2,385,702</u>	<u>\$ 2,348,201</u>
2022 Option exercises	2,433	\$ 67.00	\$ 163	\$ 163
2022 ATM Program issuances	43,092,888	86.23	3,715,971	3,667,691
2022 Redemption of OP Units and DownREIT Units	5,498		—	—
2022 Stock incentive plans, net of forfeitures	168,641		—	—
2022 Totals	<u>43,269,460</u>		<u>\$ 3,716,134</u>	<u>\$ 3,667,854</u>
2023 Option exercises	3,541	\$ 78.23	\$ 277	\$ 277
2023 ATM Program issuances	53,300,874	80.92	4,313,007	4,290,766
2023 Equity issuance	20,125,000	88.06	1,772,216	1,719,086
2023 Redemption of OP Units and DownREIT Units	335,562		—	—
2023 Stock incentive plans, net of forfeitures	(32,733)		—	—
2023 Totals	<u>73,732,244</u>		<u>\$ 6,085,500</u>	<u>\$ 6,010,129</u>

Dividends

Please refer to Note 19 for information related to federal income tax of dividends. The following is a summary of our dividend payments (in thousands, except per share amounts):

	Year Ended					
	December 31, 2023		December 31, 2022		December 31, 2021	
	Per Share	Amount	Per Share	Amount	Per Share	Amount
Common stock	\$ 2.44	\$ 1,259,676	\$ 2.44	\$ 1,133,182	\$ 2.44	\$ 1,037,194

Accumulated Other Comprehensive Income

The following is a summary of accumulated other comprehensive income/(loss) for the periods presented (in thousands):

	December 31, 2023	December 31, 2022
Foreign currency translation	\$ (913,675)	\$ (1,115,317)
Derivative and financial instruments designated as hedges	750,515	995,610
Total accumulated other comprehensive income (loss)	<u>\$ (163,160)</u>	<u>\$ (119,707)</u>

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15. Stock Incentive Plans

In March 2022, our Board of Directors approved the 2022 Long-Term Plan ("2022 Plan"), which authorizes up to 10,000,000 shares of common stock or units to be issued at the discretion of the Compensation Committee of the Board of Directors. Awards granted after March 28, 2022 are issued out of the 2022 Plan. The awards granted under the 2016 Long-Term Incentive Plan continue to vest and options expire ten years from the date of grant. Our non-employee directors, officers and key employees are eligible to participate in the 2022 Plan. The 2022 Plan allows for the issuance of, among other things, stock options, stock appreciation rights, restricted stock units, deferred stock units, performance units and dividend equivalent rights. Vesting periods for options, deferred stock units and restricted stock units generally range from three to five years. Options expire ten years from the date of grant.

Under our long-term incentive plan, certain restricted stock awards are market, performance and time-based. For market and performance based awards, we will grant a target number of restricted stock units, with the ultimate award determined by the total shareholder return and operating performance metrics, measured in each case over a measurement period of three to four years. Performance based awards vest after the end of the performance periods. The expected term represents the period from the grant date to the end of the performance period. Compensation expense for performance based awards is measured based on the probability of achievement of certain performance goals and is recognized over the performance period. For the portion of the grant for which the award is determined by the operating performance metrics, the compensation cost is based on the grant date closing price and management's estimate of corporate achievement of the financial metrics. If the estimated number of performance based restricted stock to be earned changes, an adjustment will be recorded to recognize the accumulated difference between the revised and previous estimates. For the portion of the grant determined by the total shareholder return ("TSR"), management used a Monte Carlo model to assess the fair value and compensation cost. For time based awards, the fair value of the restricted stock is equal to the market price of the Company's common stock on the date of grant and is amortized over the vesting periods. For purposes of measuring stock-based compensation expense, we consider whether an adjustment to the observable market price is necessary to reflect material nonpublic information that is known to us at the time the award is granted. No adjustments were deemed necessary for the years ended December 31, 2023, 2022, or 2021. Forfeitures are accounted for as they occur.

The following table summarizes compensation expense recognized for the periods presented (in thousands):

	Year Ended December 31,					
	2023		2022		2021	
Stock options	\$	2,741	\$	2,378	\$	1,088
Restricted stock units		34,458		23,771		16,724
Total compensation expense	\$	37,199	\$	26,149	\$	17,812

Stock Options

The following is a summary of time-based stock option activity in 2023:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value (\$000's)
Outstanding as of December 31, 2022	551,515	\$ 75.82		
Options granted	93,674	75.50		
Options exercised	(5,189)	79.82		
Options forfeited	(3,740)	77.77		
Outstanding as of December 31, 2023	636,260	\$ 75.73	7.8	\$ 9,190
Exercisable as of December 31, 2023	210,262	\$ 72.72	7.4	\$ 7,817

We used the Black-Scholes option pricing model to determine the grant date fair value of time-based options. The weighted-average assumptions used are as follows:

	2023
Dividend yield	3.20%
Estimated volatility ⁽¹⁾	34.82%
Risk free rate	4.12%
Expected life of options	4.8
Estimated fair value	\$20.55

⁽¹⁾ Estimated volatility over the life of the plan is using 50% historical volatility and 50% implied volatility.

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As of December 31, 2023, there was \$4,895,000 of total unrecognized compensation expense related to unvested time-based stock options that is expected to be recognized over a weighted-average period of two years.

During December 2021, we granted performance-based stock options. The grant date fair value of \$20.31 was estimated on the date of grant using the Black-Scholes option pricing model. These options have a performance condition based on a Funds From Operations goal measured over the performance period of January 1, 2022 to December 31, 2024. These awards vest over two years after the end of the performance period, with a portion vesting immediately at the end of the performance period. Compensation expense is measured based on the probability of achievement of the performance goal and is recognized over both the performance period and vesting period. At December 31, 2022 and December 31, 2023, the performance goal was not probable of being achieved. The following is a summary of performance-based stock option activity as of December 31, 2023:

	Shares	Weighted Average Exercise Price	
Outstanding as of December 31, 2022	825,216	\$	83.44
Options forfeited	(10,095)		83.44
Outstanding as of December 31, 2023	<u>815,121</u>	<u>\$</u>	<u>83.44</u>

Restricted Stock

During January 2022, we granted performance-based restricted stock awards under the terms of an Out Performance Program ("OPP"). The grant date fair value was estimated on the date of grant using a Monte Carlo model. These awards have performance conditions based on a Funds From Operations goal and absolute and relative TSR goals measured over the performance period of January 1, 2022 to December 31, 2025. These awards vest after the end of the performance period. Compensation expense is measured based on the probability of achievement of the performance goals and is recognized over the performance period. At December 31, 2022 and December 31, 2023, the performance goals were not probable of being achieved. The following is a summary of our non-vested OPP restricted stock activity as of December 31, 2023:

	Restricted Stock	
	Number of Shares	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2022	936,915	\$ 27.60
Forfeited or expired	(4,690)	27.60
Non-vested at December 31, 2023	<u>932,225</u>	<u>\$ 27.60</u>

The following is a summary of the status of our non-vested restricted stock (including market, performance and time-based awards, and excluding OPP awards) as of December 31, 2023:

	Restricted Stock	
	Number of Shares	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2022	803,327	\$ 84.78
Vested	(255,514)	82.40
Granted	414,177	97.20
Change in awards based on performance ⁽¹⁾	798,065	106.59
Forfeited or expired	(14,040)	87.80
Non-vested at December 31, 2023	<u>1,746,015</u>	<u>\$ 98.03</u>

⁽¹⁾ Represents the change in number of market and performance based awards earned based on performance achievement.

We used a Monte Carlo model to assess the compensation cost associated with the portion of the market awards granted for which achievement will be determined using total shareholder return measures. The model also considers a post-vesting holding period. The weighted-average assumptions used are as follows:

	2023
Dividend yield	3.20%
Estimated volatility over the life of the plan ⁽¹⁾	27.33% - 39.02%
Risk free rate	4.44% - 5.08%
Estimated market based performance award value based on total shareholder return measure	\$118.87

⁽¹⁾ Estimated volatility over the life of the plan is using 50% historical volatility and 50% implied volatility.

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As of December 31, 2023, there was \$40,721,000 of total unrecognized compensation expense related to unvested restricted stock that is expected to be recognized over a weighted-average period of two years.

16. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Year Ended December 31,		
	2023	2022	2021
Numerator for basic earnings per share - net income attributable to common stockholders	\$ 340,094	\$ 141,214	\$ 336,138
Adjustment for net income (loss) attributable to OP Units and DownREIT Units	(303)	165	(3,020)
Numerator for diluted earnings per share	\$ 339,791	\$ 141,379	\$ 333,118
Denominator for basic earnings per share - weighted average shares	515,629	462,185	424,976
Effect of dilutive securities:			
Employee stock options	32	20	—
Non-vested restricted shares and units	1,031	1,058	447
OP Units and DownREIT Units	1,983	1,865	1,396
Employee stock purchase program	26	30	22
Dilutive potential common shares	3,072	2,973	1,865
Denominator for diluted earnings per share - adjusted weighted average shares	518,701	465,158	426,841
Basic earnings per share	\$ 0.66	\$ 0.31	\$ 0.79
Diluted earnings per share	\$ 0.66	\$ 0.30	\$ 0.78

As of December 31, 2021, outstanding forward sales agreements for the sale of 5,187,250 shares were not included in the computation of diluted earnings per share because such forward sales were anti-dilutive for the period. There were no outstanding forward sale agreements as of December 31, 2023 or December 31, 2022. Employee stock options were anti-dilutive for 2021.

The Exchangeable Notes were not included in the computation of diluted earnings per share as they were anti-dilutive for the year ended December 31, 2023.

17. Disclosure about Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy exists for disclosures of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Mortgage Loans, Other Real Estate Loans and Non-real Estate Loans Receivable— The fair value of mortgage loans, other real estate loans and non-real estate loans receivable is generally estimated by using Level 2 and Level 3 inputs such as discounting the estimated future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Cash and Cash Equivalents and Restricted Cash — The carrying amount approximates fair value.

Equity Warrants — The fair value of equity warrants is estimated using Level 3 inputs and includes data points such as enterprise value of the underlying HC-One Group real estate portfolio, marketability discount for private company warrants,

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dividend yield, volatility and risk-free rate. The enterprise value is driven by projected cash flows, weighted average cost of capital and a terminal capitalization rate.

Borrowings Under Primary Unsecured Credit Facility and Commercial Paper Program— The carrying amount of the primary unsecured credit facility and commercial paper program approximates fair value because the borrowings are interest rate adjustable.

Senior Unsecured Notes — The fair value of the senior unsecured notes payable is estimated based on Level 1 publicly available trading prices. The carrying amount of the variable rate senior unsecured notes approximates fair value because they are interest rate adjustable.

Secured Debt — The fair value of fixed rate secured debt is estimated using Level 2 inputs by discounting the estimated future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities. The carrying amount of variable rate secured debt approximates fair value because the borrowings are interest rate adjustable.

Foreign Currency Forward Contracts, Interest Rate Swaps and Cross Currency Swaps— Foreign currency forward contracts, interest rate swaps and cross currency swaps are recorded in other assets or other liabilities on the balance sheet at fair value that is derived from Level 2 observable market data, including yield curves and foreign exchange rates.

Redeemable DownREIT Unitholder Interests — Our redeemable DownREIT Unitholder interests are recorded on the balance sheet at fair value using Level 2 inputs unless the fair value is below the initial amount, in which case the redeemable DownREIT Unitholder interests are recorded at the initial amount adjusted for distributions to the unitholders and income or loss attributable to the unitholders. The fair value is measured using the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, one share of our common stock per unit, subject to adjustment in certain circumstances.

The carrying amounts and estimated fair values of our financial instruments are as follows (in thousands):

	December 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Mortgage loans receivable	\$ 1,043,252	\$ 1,105,260	\$ 697,906	\$ 739,159
Other real estate loans receivable	318,335	319,905	192,938	190,977
Cash and cash equivalents	1,993,646	1,993,646	631,681	631,681
Restricted cash	82,437	82,437	90,611	90,611
Non-real estate loans receivable	330,119	312,985	289,168	277,601
Foreign currency forward contracts, interest rate swaps and cross currency swaps	37,118	37,118	191,357	191,357
Equity warrants	35,772	35,772	30,436	30,436
Financial liabilities:				
Senior unsecured notes	\$ 13,552,222	\$ 13,249,247	\$ 12,437,273	\$ 11,381,873
Secured debt	2,183,327	2,144,059	2,110,815	2,054,889
Foreign currency forward contracts, interest rate swaps and cross currency swaps	96,023	96,023	55,727	55,727
Redeemable DownREIT Unitholder interests	\$ 77,928	\$ 77,928	\$ 75,355	\$ 75,355

Items Measured at Fair Value on a Recurring Basis

The market approach is utilized to measure fair value for our financial assets and liabilities reported at fair value on a recurring basis. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The following summarizes items measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements as of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Equity warrants	\$ 35,772	\$ —	\$ —	\$ 35,772
Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) ⁽¹⁾	(58,905)	—	(58,905)	—
Totals	\$ (23,133)	\$ —	\$ (58,905)	\$ 35,772

⁽¹⁾ Please see Note 12 for additional information.

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The following table summarizes the change in fair value for equity warrants using unobservable Level 3 inputs for the years presented (in thousands):

	Years Ended	
	December 31, 2023	December 31, 2022
Beginning balance	\$ 30,436	\$ 41,909
Warrants acquired	1,202	—
Mark-to-market adjustment	2,218	(6,837)
Foreign currency	1,916	(4,636)
Ending balance	<u>\$ 35,772</u>	<u>\$ 30,436</u>

The most significant assumptions utilized in the valuation of the equity warrants are the cash flows of the underlying HC-One Group enterprise, as well as the terminal capitalization rate which was 10.0% and 10.5% at year end December 31, 2023 and 2022, respectively.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, we also have assets and liabilities in our balance sheet that are measured at fair value on a nonrecurring basis that are not included in the tables above. Assets, liabilities and noncontrolling interests that are measured at fair value on a nonrecurring basis include those acquired, exchanged or assumed. Asset impairments (if applicable, see Note 5 for impairments of real property and Note 7 for impairments of loans receivable) are also measured at fair value on a nonrecurring basis. We have determined that the fair value measurements included in each of these assets and liabilities rely primarily on company-specific inputs and our assumptions about the use of the assets and settlement of liabilities, as observable inputs are not available. As such, we have determined that each of these fair value measurements generally resides within Level 3 of the fair value hierarchy. We estimate the fair value of real estate and related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also consider local and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair value. We estimate the fair value of assets held for sale based on current sales price expectations or, in the absence of such price expectations, Level 3 inputs described above. We estimate the fair value of loans receivable using projected payoff valuations based on the expected future cash flows and/or the estimated fair value of collateral, net of sales costs, if the repayment of the loan is expected to be provided solely by the collateral. We estimate the fair value of secured debt assumed in asset acquisitions using current interest rates at which similar borrowings could be obtained on the transaction date.

18. Segment Reporting

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three operating segments: Seniors Housing Operating, Triple-net and Outpatient Medical. Our Seniors Housing Operating properties include seniors apartments, assisted living, independent living/continuing care retirement communities, independent supportive living communities (Canada), care homes with and without nursing (U.K.) and combinations thereof that are generally owned and/or operated through RIDEA structures (see Note 19). Our Triple-net properties include the property types described above as well as long-term/post-acute care facilities. Under the Triple-net segment, we invest in seniors housing and health care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are not involved in the management of the property. Our Outpatient Medical properties are typically leased to multiple tenants and generally require a certain level of property management by us.

We evaluate performance based upon consolidated NOI of each segment. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. We believe NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties.

Non-segment revenue consists mainly of interest income on cash investments recorded in other income. Non-segment assets consist of corporate assets including cash, deferred loan expenses and corporate offices and equipment among others. Non-property specific revenues and expenses are not allocated to individual segments in determining NOI.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2). The results of operations for all acquisitions described in Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. All inter-segment transactions are eliminated.

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Summary information for the reportable segments (which excludes unconsolidated entities) during the years ended December 31, 2023, 2022 and 2021 is as follows (in thousands):

Year Ended December 31, 2023:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment/Corporate	Total
Resident fees and services	\$ 4,753,804	\$ —	\$ —	\$ —	\$ 4,753,804
Rental income	—	814,751	741,322	—	1,556,073
Interest income	10,096	157,592	666	—	168,354
Other income	9,743	70,986	9,167	69,868	159,764
Total revenues	<u>4,773,643</u>	<u>1,043,329</u>	<u>751,155</u>	<u>69,868</u>	<u>6,637,995</u>
Property operating expenses	3,655,508	42,194	231,956	18,118	3,947,776
Consolidated net operating income (loss)	<u>1,118,135</u>	<u>1,001,135</u>	<u>519,199</u>	<u>51,750</u>	<u>2,690,219</u>
Depreciation and amortization	906,771	231,028	263,302	—	1,401,101
Interest expense	56,509	(65)	10,543	540,859	607,846
General and administrative expenses	—	—	—	179,091	179,091
Loss (gain) on derivatives and financial instruments, net	—	(2,120)	—	—	(2,120)
Loss (gain) on extinguishment of debt, net	—	—	7	—	7
Provision for loan losses, net	3,197	6,348	264	—	9,809
Impairment of assets	24,999	11,098	—	—	36,097
Other expenses	96,972	5,060	2,289	4,020	108,341
Income (loss) from continuing operations before income taxes and other items	29,687	749,786	242,794	(672,220)	350,047
Income tax (expense) benefit	—	—	—	(6,364)	(6,364)
Income (loss) from unconsolidated entities	(69,835)	16,700	(307)	—	(53,442)
Gain (loss) on real estate dispositions, net	68,290	259	(651)	—	67,898
Income (loss) from continuing operations	<u>28,142</u>	<u>766,745</u>	<u>241,836</u>	<u>(678,584)</u>	<u>358,139</u>
Net income (loss)	<u>\$ 28,142</u>	<u>\$ 766,745</u>	<u>\$ 241,836</u>	<u>\$ (678,584)</u>	<u>\$ 358,139</u>
Total assets	<u>\$ 24,857,722</u>	<u>\$ 9,985,952</u>	<u>\$ 7,353,819</u>	<u>\$ 1,814,673</u>	<u>\$ 44,012,166</u>

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Year Ended December 31, 2022:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non- segment/Corporate	Total
Resident fees and services	\$ 4,173,711	\$ —	\$ —	\$ —	\$ 4,173,711
Rental income	—	782,329	669,457	—	1,451,786
Interest income	7,867	142,402	302	—	150,571
Other income	63,839	6,776	8,998	4,934	84,547
Total revenues	<u>4,245,417</u>	<u>931,507</u>	<u>678,757</u>	<u>4,934</u>	<u>5,860,615</u>
Property operating expenses	3,292,045	44,483	205,997	16,245	3,558,770
Consolidated net operating income (loss)	953,372	887,024	472,760	(11,311)	2,301,845
Depreciation and amortization	854,800	215,887	239,681	—	1,310,368
Interest expense	34,833	963	18,078	475,645	529,519
General and administrative expenses	—	—	—	150,390	150,390
Loss (gain) on derivatives and financial instruments, net	—	8,334	—	—	8,334
Loss (gain) on extinguishment of debt, net	386	80	15	199	680
Provision for loan losses, net	1,039	9,289	(8)	—	10,320
Impairment of assets	13,146	3,595	761	—	17,502
Other expenses	66,026	13,043	2,537	20,064	101,670
Income (loss) from continuing operations before income taxes and other items	(16,858)	635,833	211,696	(657,609)	173,062
Income tax (expense) benefit	—	—	—	(7,247)	(7,247)
Income (loss) from unconsolidated entities	(53,318)	34,495	(2,467)	—	(21,290)
Gain (loss) on real estate dispositions, net	5,794	16,648	(6,399)	—	16,043
Income (loss) from continuing operations	<u>(64,382)</u>	<u>686,976</u>	<u>202,830</u>	<u>(664,856)</u>	<u>160,568</u>
Net income (loss)	<u>\$ (64,382)</u>	<u>\$ 686,976</u>	<u>\$ 202,830</u>	<u>\$ (664,856)</u>	<u>\$ 160,568</u>
Total assets	\$ 22,000,732	\$ 8,619,314	\$ 6,614,887	\$ 658,300	\$ 37,893,233

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Year Ended December 31, 2021:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non- segment/Corporate	Total
Resident fees and services	\$ 3,197,223	\$ —	\$ —	\$ —	\$ 3,197,223
Rental income	—	761,441	613,254	—	1,374,695
Interest income	4,231	124,540	8,792	—	137,563
Other income	11,796	4,603	13,243	2,992	32,634
Total revenues	3,213,250	890,584	635,289	2,992	4,742,115
Property operating expenses	2,529,344	49,462	186,939	8,817	2,774,562
Consolidated net operating income (loss)	683,906	841,122	448,350	(5,825)	1,967,553
Depreciation and amortization	593,565	220,699	223,302	—	1,037,566
Interest expense	39,327	6,376	17,506	426,644	489,853
General and administrative expenses	—	—	—	126,727	126,727
Loss (gain) on derivatives and financial instruments, net	—	(7,333)	—	—	(7,333)
Loss (gain) on extinguishment of debt, net	(2,628)	—	(4)	52,506	49,874
Provision for loan losses, net	394	10,339	(3,463)	—	7,270
Impairment of assets	22,317	26,579	2,211	—	51,107
Other expenses	27,132	4,189	2,523	7,895	41,739
Income (loss) from continuing operations before income taxes and other items	3,799	580,273	206,275	(619,597)	170,750
Income tax (expense) benefit	—	—	—	(8,713)	(8,713)
Income (loss) from unconsolidated entities	(39,225)	20,687	(4,395)	—	(22,933)
Gain (loss) on real estate dispositions, net	6,146	135,881	93,348	—	235,375
Income (loss) from continuing operations	(29,280)	736,841	295,228	(628,310)	374,479
Net income (loss)	\$ (29,280)	\$ 736,841	\$ 295,228	\$ (628,310)	\$ 374,479

Our portfolio of properties and other investments are located in the United States, the United Kingdom and Canada. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for the periods presented (dollars in thousands):

	Year Ended					
	December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	%	Amount	%	Amount	%
Revenues:						
United States	\$ 5,521,933	83.2 %	\$ 4,843,417	82.6 %	\$ 3,766,707	79.4 %
United Kingdom	606,750	9.1 %	558,308	9.5 %	552,650	11.7 %
Canada	509,312	7.7 %	458,890	7.9 %	422,758	8.9 %
Total	\$ 6,637,995	100.0 %	\$ 5,860,615	100.0 %	\$ 4,742,115	100.0 %
	Year Ended					
	December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	%	Amount	%	Amount	%
Resident fees and services:						
United States	\$ 3,811,915	80.2 %	\$ 3,325,466	79.7 %	\$ 2,389,257	74.7 %
United Kingdom	447,219	9.4 %	401,195	9.6 %	396,610	12.4 %
Canada	494,670	10.4 %	447,050	10.7 %	411,356	12.9 %
Total	\$ 4,753,804	100.0 %	\$ 4,173,711	100.0 %	\$ 3,197,223	100.0 %
	As of					
	December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		
Assets:						
United States	\$ 36,929,186	83.9 %	\$ 31,740,907	83.8 %		
United Kingdom	3,587,230	8.2 %	3,476,793	9.2 %		
Canada	3,495,750	7.9 %	2,675,533	7.0 %		
Total	\$ 44,012,166	100.0 %	\$ 37,893,233	100.0 %		

WELLTOWER INC. AND SUBSIDIARIES
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19. Income Taxes and Distributions

We elected to be taxed as a REIT commencing with our first taxable year. To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, basis differences in acquisitions, recording of impairments, differing useful lives and depreciation and amortization methods for real property and the provision for loan losses for reporting purposes versus bad debt expense for tax purposes.

Cash distributions paid to common stockholders, for federal income tax purposes, are as follows for the periods presented:

	Year Ended December 31,		
	2023	2022	2021
Per share:			
Ordinary dividend ⁽¹⁾	\$ 1.6719	\$ 2.4400	\$ 1.4828
Long-term capital gain/(loss) ⁽²⁾	0.1159	—	0.8371
Return of capital	0.6522	—	0.1201
Totals	<u>\$ 2.4400</u>	<u>\$ 2.4400</u>	<u>\$ 2.4400</u>

⁽¹⁾ For the years ended December 31, 2023, 2022 and 2021, includes Section 199A dividends of \$1.6719, \$2.4400 and \$1.4828 respectively.

⁽²⁾ For the years ended December 31, 2023, 2022 and 2021, includes Unrecaptured Section 1250 Gains of \$0.0150, \$0.0000 and \$0.4523, respectively.

Our consolidated provision for income tax expense (benefit) is as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current tax expense	\$ 8,840	\$ 18,289	\$ 10,199
Deferred tax benefit	(2,476)	(11,042)	(1,486)
Income tax expense (benefit)	<u>\$ 6,364</u>	<u>\$ 7,247</u>	<u>\$ 8,713</u>

REITs generally are not subject to U.S. federal income taxes on that portion of REIT taxable income or capital gain that is distributed to stockholders. For the tax year ended December 31, 2023, as a result of ownership of investments in Canada and the U.K., we were subject to foreign income taxes under the respective tax laws of these jurisdictions.

The provision for income taxes for the year ended December 31, 2023 primarily relates to state taxes, foreign taxes, and taxes based on income generated by entities that are structured as TRSs. For the tax years ended December 31, 2023, 2022 and 2021, the foreign tax provision/(benefit) amount included in the consolidated provision for income taxes was \$5,938,000, \$5,222,000 and \$6,787,000, respectively.

A reconciliation of income taxes, which is computed by applying the federal corporate tax rate for the years ended December 31, 2023, 2022 and 2021, to the income tax expense/(benefit) is as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Tax at statutory rate on earnings from continuing operations before unconsolidated entities, noncontrolling interests and income taxes	\$ 76,547	\$ 35,241	\$ 80,470
Increase (decrease) in valuation allowance ⁽¹⁾	35,515	30,237	19,383
Tax at statutory rate on earnings not subject to federal income taxes	(141,044)	(75,729)	(117,931)
Foreign permanent depreciation	2,103	2,033	1,449
Other differences	33,243	15,465	25,342
Totals	<u>\$ 6,364</u>	<u>\$ 7,247</u>	<u>\$ 8,713</u>

⁽¹⁾ Excluding purchase price accounting.

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Each TRS and foreign entity subject to income taxes is a tax paying component for purposes of classifying deferred tax assets and liabilities. The tax effects of taxable and deductible temporary differences, as well as tax asset/(liability) attributes, are summarized as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Investments and property, primarily differences in investment basis, depreciation and amortization, the basis of land assets and the treatment of interests and certain costs	\$ (40,336)	\$ (39,212)	\$ (32,616)
Operating loss and interest deduction carryforwards	323,852	254,852	247,015
Expense accruals and other	64,970	94,999	53,367
Valuation allowances	(330,073)	(294,558)	(264,321)
Net deferred tax assets (liabilities)	<u>\$ 18,413</u>	<u>\$ 16,081</u>	<u>\$ 3,445</u>

On the basis of the evaluations performed as required by the codification, valuation allowances totaling \$330,073,000 were recorded on U.S. taxable REIT subsidiaries as well as entities in other jurisdictions to limit the deferred tax assets to the amount that we believe is more likely than not realizable. However, the amount of the deferred tax asset considered realizable could be adjusted if (i) estimates of future taxable income during the carryforward period are reduced or increased or (ii) objective negative evidence in the form of cumulative losses is no longer present (and additional weight may be given to subjective evidence such as our projections for growth). The valuation allowance rollforward is summarized as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 294,558	\$ 264,321	\$ 244,938
Expense (benefit)	35,515	30,237	19,383
Ending balance	<u>\$ 330,073</u>	<u>\$ 294,558</u>	<u>\$ 264,321</u>

As a REIT, we are subject to certain corporate level taxes for any related asset dispositions that may occur during the five-year period immediately after such assets were owned by a C corporation ("built-in gains tax"). The amount of income potentially subject to this special corporate level tax is generally equal to the lesser of (i) the excess of the fair value of the asset over its adjusted tax basis as of the date it became a REIT asset, or (ii) the actual amount of gain. Some but not all gains recognized during this period of time could be offset by available net operating losses and capital loss carryforwards.

Given the applicable statute of limitations, we generally are subject to audit by the Internal Revenue Service ("IRS") for the year ended December 31, 2020 and subsequent years. The statute of limitations may vary in the states in which we own properties or conduct business. We do not expect to be subject to audit by state taxing authorities for any year prior to the year ended December 31, 2019. We are also subject to audit by the Canada Revenue Agency and provincial authorities generally for periods subsequent to May 2019 related to entities acquired or formed in connection with acquisitions, and by the U.K.'s HM Revenue & Customs for periods subsequent to August 2017 related to entities acquired or formed in connection with acquisitions.

At December 31, 2023, we had a net operating loss ("NOL") carryforward related to the REIT of \$358,461,000. Due to our uncertainty regarding the realization of certain deferred tax assets, we have not recorded a deferred tax asset related to NOLs generated by the REIT. These amounts can be used to offset future taxable income (and/or taxable income for prior years if an audit determines that tax is owed), if any. The REIT will be entitled to utilize NOLs and tax credit carryforwards only to the extent that REIT taxable income exceeds our deduction for dividends paid. The NOL carryforwards generated through December 31, 2019 will expire through 2039. Beginning with the tax years after December 31, 2017, the law eliminates the NOL carryback period for REITs, replaces the 20-year NOL carryforward period with an indefinite carryforward period and, with respect to tax years beginning after 2020, limits the use of NOLs to 80% of taxable income.

At December 31, 2023 and 2022, we had an NOL carryforward related to Canadian entities of \$467,804,000 and \$368,979,000 respectively. These Canadian losses have a 20-year carryforward period. At December 31, 2023 and 2022, we had an NOL carryforward related to U.K. entities of \$218,258,000 and \$184,779,000 respectively. These U.K. losses do not have a finite carryforward period.

WELLTOWER INC. AND SUBSIDIARIES
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20. Variable Interest Entities

We have entered into joint ventures and have certain subsidiaries that are either wholly owned by us or by consolidated joint ventures which own real estate investments and are deemed to be VIEs. Our VIEs primarily hold real estate assets within our Seniors Housing Operating and Triple-net portfolios, the nature and risk of which are consistent with our overall portfolio. We have concluded that we are the primary beneficiary of these VIEs based on a combination of operational control of the entities and the rights to receive residual returns or the obligation to absorb losses arising from the entities. Except for capital contributions associated with the initial entity formations, the entities have been and are expected to be funded from the ongoing operations of the underlying properties. Accordingly, such entities have been consolidated, and the table below summarizes the balance sheets of consolidated VIEs in the aggregate (in thousands):

	December 31, 2023	December 31, 2022
Assets:		
Net real estate investments	\$ 3,277,741	\$ 1,499,078
Cash and cash equivalents	19,529	15,582
Receivables and other assets	43,513	9,949
Total assets ⁽¹⁾	<u>\$ 3,340,783</u>	<u>\$ 1,524,609</u>
Liabilities and equity:		
Secured debt	\$ 76,507	\$ 155,992
Lease liabilities	2,539	1,329
Accrued expenses and other liabilities	13,850	28,417
Total equity	<u>3,247,887</u>	<u>1,338,871</u>
Total liabilities and equity	<u>\$ 3,340,783</u>	<u>\$ 1,524,609</u>

⁽¹⁾ Note that assets of the consolidated VIEs can only be used to settle obligations relating to such VIEs. Liabilities of the consolidated VIEs represent claims against the specific assets of the VIEs and VIE's creditors do not have recourse to Welltower.

We recognized revenues from consolidated VIEs in the aggregate of \$253,989,000, \$48,347,000 and \$40,251,000 for the years ending December 31, 2023, 2022 and 2021.

In addition, we have certain entities that qualify as unconsolidated VIEs including borrowers of loans receivable and in substance real estate investments. Our maximum exposure on these entities is limited to the net carrying value of the investments. Refer to Note 7 and Note 8 for additional details.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in a report entitled Internal Control — Integrated Framework.

Based on this assessment, using the criteria above, management concluded that the Company's system of internal control over financial reporting was effective as of December 31, 2023.

The independent registered public accounting firm of Ernst & Young LLP, as auditors of the Company's consolidated financial statements, has issued an attestation report on the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended) that occurred during the fourth quarter of the one-year period covered by this report that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Welltower Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Welltower Inc. and subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Welltower Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Welltower Inc. and subsidiaries as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Toledo, Ohio
February 15, 2024

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated herein by reference to the information under the headings “Election of Directors,” “Corporate Governance,” “Executive Officers,” and “Security Ownership of Directors and Management and Certain Beneficial Owners — Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive proxy statement, which will be filed with the Securities and Exchange Commission (the “Commission”) within 120 days after the end of our fiscal year ended December 31, 2023 in connection with our 2023 Annual Meeting of Stockholders.

We have adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees. The code is posted on the Internet at www.welltower.com/investors/governance. Any amendment to, or waivers from, the code that relate to any officer or director of the company will be promptly disclosed on the Internet at www.welltower.com.

In addition, the Board has adopted charters for the Audit, Compensation and Nominating/Corporate Governance Committees. These charters are posted on the Internet at www.welltower.com/investors/governance. Please refer to “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Executive Summary – Corporate Governance” in the Annual Report on Form 10-K for further discussion of corporate governance.

The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

Item 11. Executive Compensation

The information required under Item 11 is incorporated herein by reference to the information under the headings “Executive Compensation” and “Director Compensation” in our definitive proxy statement, which will be filed with the Commission within 120 days after the end of our fiscal year ended December 31, 2023 in connection with our 2023 Annual Meeting of Stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under Item 12 is incorporated herein by reference to the information under the headings “Security Ownership of Directors and Management and Certain Beneficial Owners” and “Equity Compensation Plan Information” in our definitive proxy statement, which will be filed with the Commission within 120 days after the end of our fiscal year ended December 31, 2023 in connection with our 2023 Annual Meeting of Stockholders.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required under Item 13 is incorporated herein by reference to the information under the headings “Corporate Governance — Independence and Meetings” and “Security Ownership of Directors and Management and Certain Beneficial Owners — Certain Relationships and Related Transactions” in our definitive proxy statement, which will be filed with the Commission within 120 days after the end of our fiscal year ended December 31, 2023 in connection with our 2023 Annual Meeting of Stockholders.

Item 14. Principal Accounting Fees and Services

The information required under Item 14 is incorporated herein by reference to the information under the heading “Ratification of the Appointment of the Independent Registered Public Accounting Firm” in our definitive proxy statement, which will be filed with the Commission within 120 days after the end of our fiscal year ended December 31, 2023 in connection with our 2023 Annual Meeting of Stockholders.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. *Our Consolidated Financial Statements are included in Part II, Item 8:*

Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	76
Consolidated Balance Sheets – December 31, 2023 and 2022	78
Consolidated Statements of Comprehensive Income — Years ended December 31, 2023, 2022 and 2021	79
Consolidated Statements of Equity — Years ended December 31, 2023, 2022 and 2021	81
Consolidated Statements of Cash Flows — Years ended December 31, 2023, 2022 and 2021	82
Notes to Consolidated Financial Statements	83

2. *The following Financial Statement Schedules are included beginning on page 127*

- III – Real Estate and Accumulated Depreciation
- IV – Mortgage Loans on Real Estate

All other schedules have been omitted because they are inapplicable or not required or the information is included elsewhere in the Consolidated Financial Statements or notes thereto.

3. *Exhibits:*

The exhibits listed below are either filed with this Form 10-K or incorporated by reference in accordance with Rule 12b-32 of the Securities Exchange Act of 1934.

- 2.1 Agreement and Plan of Merger, dated March 7, 2022, by and among Welltower Inc., the Company and WELL Merger Holdco Sub Inc. (filed with the Commission as Exhibit 2.1 to the Company's Form 8-K filed March 7, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.1 Amended and Restated Certificate of Incorporation of the Company (filed with the Commission as Exhibit 3.1 to the Form 8-K filed April 1, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.2 Amended and Restated By-Laws of the Company (filed with the Commission as Exhibit 3.1 to the Form 8-K filed on November 30, 2023 (File No. 001-08923), and incorporated herein by reference thereto).
- 3.4 Limited Liability Company Agreement of Welltower OP LLC, dated as of May 24, 2022 (filed with the Commission as Exhibit 3.2 to the Company's Form 8-K filed May 25, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(a) Indenture, dated as of March 15, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed March 15, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(b) Supplemental Indenture No. 1, dated as of March 15, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 15, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(c) Amendment No. 1 to Supplemental Indenture No. 1, dated as of June 18, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed June 18, 2010 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(d) Supplemental Indenture No. 5, dated as of March 14, 2011, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 14, 2011 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(e) Supplemental Indenture No. 7, dated as of December 6, 2012, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed December 11, 2012 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(f) Supplemental Indenture No. 8, dated as of October 7, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed October 9, 2013 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(g) Supplemental Indenture No. 9, dated as of November 20, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed November 20, 2013 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(h) Supplemental Indenture No. 10, dated as of November 25, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed November 25, 2014 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(i) Supplemental Indenture No. 11, dated as of May 26, 2015, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed May 27, 2015 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(j) Amendment No. 1 to Supplemental Indenture No. 11, dated as of October 19, 2015, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed October 20, 2015 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(k) Supplemental Indenture No. 12, dated as of March 1, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed March 3, 2016 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(l) Supplemental Indenture No. 13, dated as of April 10, 2018, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed April 10, 2018 (File No. 001-08923), and incorporated herein by reference thereto).

- 4.1(m) Supplemental Indenture No. 14, dated as of August 16, 2018, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed August 16, 2018 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(n) Supplemental Indenture No. 15, dated as of February 15, 2019 between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed February 15, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(o) Supplemental Indenture No. 16, dated as of August 19, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.3 to the Company's Form 8-K filed August 19, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(p) Supplemental Indenture No. 17, dated as of December 16, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed December 16, 2019 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(q) Supplemental Indenture No. 18, dated as of June 30, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed June 30, 2020 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(r) Supplemental Indenture No. 19, dated as of March 25, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on March 25, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(s) Supplemental Indenture No. 20, dated as of June 28, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on June 28, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(t) Supplemental Indenture No. 21, dated as of November 19, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed on November 19, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(u) Supplemental Indenture No. 22, dated as of March 31, 2022, between the Company and The Bank of New York Mellon Trust Company, N.A. (filed with the Commission as Exhibit 4.2 to the Company's Form 8-K filed on March 31, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.1(v) Supplemental Indenture No. 23, dated as of April 1, 2022, among Welltower OP LLC, as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.1 to Form 8-K12B filed April 1, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.2 Indenture, dated May 11, 2023, among Welltower OP LLC, as issuer, the Company, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.1 to the Company's Form 8-K filed May 11, 2023 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.3 Form of Indenture for Senior Debt Securities, among the Company, as issuer, Welltower OP Inc., as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.1 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).
- 4.4 Form of Indenture for Senior Subordinated Debt Securities, among the Company, as issuer, Welltower OP Inc., as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.2 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).
- 4.5 Form of Indenture for Junior Subordinated Debt Securities, among the Company, as issuer, Welltower OP Inc., as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.3 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).
- 4.6 Form of Indenture for Senior Debt Securities, among Welltower OP Inc, as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.5 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).
- 4.7 Form of Indenture for Senior Subordinated Debt Securities, among Welltower OP Inc., as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit

4.6 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).

- 4.8 Form of Indenture for Junior Subordinated Debt Securities, among Welltower OP Inc., as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (filed with the Commission as Exhibit 4.7 to the Company's Form S-3 filed April 1, 2022 (File No. 333-264093), and incorporated herein by reference thereto).
- 4.9(a) Indenture, dated as of November 25, 2015, by and among HCN Canadian Holdings-1 LP, the Company and BNY Trust Company of Canada (filed with the Commission as Exhibit 4.5(a) to the Company's Form 10-K filed February 18, 2016 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.9(b) Second Supplemental Indenture, dated as of December 20, 2019, by and among HCN Canadian Holdings-1 LP, the Company and BNY Trust Company of Canada (filed with the Commission as Exhibit 4.4(c) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).
- 4.10 Description of Securities of the Registrant.
- 10.1(a) Credit Agreement, dated as of June 4, 2021, by and among the Company; the lenders listed therein; KeyBank National Association, as administrative agent and L/C issuer; BofA Securities, Inc. and JPMorgan Chase Bank, N.A., as joint book runners; BofA Securities, Inc., JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and Wells Fargo Securities LLC, as U.S. joint lead arrangers; BofA Securities, Inc., JPMorgan Chase Bank, N.A., KeyBanc Capital Markets Inc. and RBC Capital Markets, as Canadian joint lead arrangers; Bank of America, N.A. and JPMorgan Chase Bank, N.A., as co-syndication agents; Wells Fargo Bank, N.A., MUFG Bank, Ltd., Barclays Bank PLC, Citibank, N.A., Credit Agricole Corporate and Investment Bank, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Mizuho Bank, Ltd., Morgan Stanley Bank, N.A., PNC Bank, National Association and Royal Bank of Canada, as co-documentation agents; BNP Paribas, Capital One, National Association, Citizens Bank, N.A., Fifth Third Bank, National Association, The Huntington National Bank, Regions Bank, The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporation, TD Bank, NA, Truist Bank and Bank of Montreal, as co-senior managing agents and Credit Agricole Corporate and Investment Bank, as sustainability structuring agent. (filed with the Commission as Exhibit 10.1 to the Company's 8-K filed June 8, 2021 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.1(b) Consent and Amendment No. 1 to Credit Agreement, dated April 1, 2022, by and among the Company, Welltower OP Inc., the lenders and other financial institutions listed therein and KeyBank National Association, as administrative agent (filed with the Commission as Exhibit 10.1 to Form 8-K12B filed April 1, 2022 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.1(c) Amendment No. 2 to Credit Agreement, dated June 15, 2022, by and among the Company, Welltower OP LLC, the lenders and other financial institutions listed therein and KeyBank National Association, as administrative agent (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed June 16, 2022 (File No. 001-08923), and incorporated by reference herein).
- 10.2 Form of Indemnification Agreement between the Company and each director, executive officer and officer of the Company (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed February 18, 2005 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.3 Summary of Director Compensation.*
- 10.4(a) Welltower Inc. 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed May 10, 2016 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.4(b) Form of Restricted Stock Grant Notice for Executive Officers under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(b) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.4(c) Form of Restricted Stock Grant Notice for Senior Vice Presidents under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(c) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.4(d) Form of Deferred Stock Unit Grant Agreement for Non-Employee Directors under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.14(d) to the Company's Form 10-K filed February 28, 2018 (File No. 001-08923), and incorporated herein by reference thereto).*

- 10.4(e) Form of 2021 Special Stock Option Award Agreement for Executive Officers under the 2016 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.4(e) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.5(a) Welltower Inc. 2020-2022 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(a) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.5(b) Form of Restricted Stock Unit Award Agreement under the 2020-2022 Long-Term Incentive Program (filed with the Commission as Exhibit 10.14(b) to the Company's Form 10-K filed February 14, 2020 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.6 Executive Employment Agreement, dated May 19, 2021, between the Company and Shankh Mitra (filed with the Commission as Exhibit 99.1 to the Company's Form 8-K filed May 19, 2021 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.7 Employment Offer Letter, dated May 20, 2021, between the Company and John F. Burkart (filed with the Commission as Exhibit 10.3 to the Company's Form 10-Q filed July 30, 2021 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.8 Welltower Inc. Nonqualified Deferred Compensation Plan Amended and Restated Effective January 1, 2022 (filed with the Commission as Exhibit 10.1 to the Company's Form 10-Q filed November 5, 2021 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.9 Welltower Inc. 2021-2023 Long-Term Incentive Program (filed with the Commission as Exhibit 10.17(a) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.10 Form of Long-Term Incentive Program Award Agreement under the 2021-2023 Long-Term Incentive Program (filed with the Commission as Exhibit 10.17(b) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.11(a) Welltower Inc. 2022-2024 Long-Term Incentive Program (filed with the Commission as Exhibit 10.18(a) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.11(b) Form of Long-Term Incentive Program Award Agreement under the 2022-2024 Long-Term Incentive Program (filed with the Commission as Exhibit 10.18(b) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.12(a) 2022 Outperformance Program (filed with the Commission as Exhibit 10.19(a) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.12(b) Form of Outperformance Program Award Agreement under the 2022 Outperformance Program (filed with the Commission as Exhibit 10.19(b) to the Company's Form 10-K filed February 16, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.13(a) Welltower Inc. 2022 Long-Term Incentive Plan (filed with the Commission as Exhibit 10.2 to the Form 8-K12B filed April 1, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.13(b) Form of Welltower Inc. 2022 Long-Term Incentive Plan Other Stock Unit Award Agreement (filed with the Commission as Exhibit 10.16(b) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.13(c) Form of Welltower Inc. Restricted Stock Unit Grant Agreement (Non-Employee Directors) (filed with the Commission as Exhibit 10.17(m) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.13(d) Form of Welltower Inc. Restricted Stock Unit Grant Agreement (Employees).*
- 10.14(a) Form of Welltower Inc. 2023-2025 Long-Term Incentive Program (filed with the Commission as Exhibit 10.1 to the Company's Form 10-Q filed May 3, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.14(b) Form of Welltower Inc. 2023-2025 Long-Term Incentive Program Award Agreement (filed with the Commission as Exhibit 10.2 to the Company's Form 10-Q filed May 3, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*

- 10.15 Welltower Inc. 2022 Employee Stock Purchase Plan (filed with the Commission as Exhibit 10.3 to the Form 8-K12B filed April 1, 2022 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(a) Welltower OP LLC Profits Interests Plan (filed with the Commission as Exhibit 10.17(a) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(b) Form of Welltower OP LLC Profits Interests Plan Time-Based LTIP Unit Agreement (LTIP Exchange Equity Award) (filed with the Commission as Exhibit 10.17(b) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(c) Form of Welltower OP LLC Profits Interests Plan Performance LTIP Unit Agreement (LTIP Exchange Equity Award) (filed with the Commission as Exhibit 10.17(c) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(d) Form of Welltower OP LLC Profits Interests Plan Option Unit Agreement (Option Unit Replacement Equity Award) (filed with the Commission as Exhibit 10.17(d) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(e) Form of Welltower OP LLC Profits Interests Plan Option Unit Agreement (Option Unit Replacement Equity Award for 2021 Special Stock Option Grant) (filed with the Commission as Exhibit 10.17(e) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(f) Form of Welltower OP LLC Profits Interests Plan Outperformance LTIP Unit Agreement (Outperformance Exchange Equity Award) (filed with the Commission as Exhibit 10.17(f) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(g) Form of Welltower OP LLC Profits Interests Plan Time-Based LTIP Unit Agreement (LTIP Exchange Equity Award) (Non-Employee Directors) (filed with the Commission as Exhibit 10.17(g) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(h) Form of Welltower OP LLC Profits Interests Plan Time-Based LTIP Unit Agreement (filed with the Commission as Exhibit 10.17(h) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(i) Form of Welltower OP LLC Profits Interests Plan Time-Based LTIP Unit Agreement (Non-Employee Directors) (filed with the Commission as Exhibit 10.17(i) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(j) Form of Welltower OP LLC Profits Interests Plan Performance LTIP Unit Agreement (filed with the Commission as Exhibit 10.17(j) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(k) Form of Welltower OP LLC Profits Interests Plan Option Unit Agreement (filed with the Commission as Exhibit 10.17(k) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.16(l) Form of Welltower OP LLC Profits Interest Plan Vested Deferred LTIP Unit Agreement (Non-Employee Director) (filed with the Commission as Exhibit 10.17(n) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.17 Form of Accrued Dividend Cash Award Agreement (filed with the Commission as Exhibit 10.17(l) to the Company's Form 10-K filed February 21, 2023 (File No. 001-08923), and incorporated herein by reference thereto).*
- 10.18 Equity Distribution Agreement, dated as of August 1, 2023, among Welltower Inc., Welltower OP LLC, the sales agents and the related forward purchasers (filed with the Commission as Exhibit 1.1 to the Company's Form 8-K filed August 1, 2023 (File No. 001-08923), and incorporated herein by reference thereto).
- 10.19 Registration Rights Agreement, dated as of May 11, 2023, by and among Welltower OP LLC, Welltower Inc. and the initial purchasers party thereto (filed with the Commission as Exhibit 10.1 to the Company's Form 8-K filed May 11, 2023 (File No. 001-08923), and incorporated herein by reference thereto).
- 21 Subsidiaries of the Company.

- 2.2 List of Subsidiary Issuers and Guaranteed Securities (filed with the Commission as Exhibit 22 to the Company's Form 10-Q filed October 31, 2023 (File No. 001-08923), and incorporated herein by reference thereto).
- 23 Consent of Ernst & Young LLP, independent registered public accounting firm.
- 24 Powers of Attorney.
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer.
- 32.2 Certification pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer.
- 97 Recovery of Incentive-Based Compensation from Executive Officers in Event of Accounting Restatement.
- 101.INS Inline XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 104 The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included in Exhibit 101)

* Management Contract or Compensatory Plan or Arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 15, 2024

WELLTOWER INC.

By: /s/ Shankh Mitra
Shankh Mitra,
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 15, 2024 by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ Kenneth J. Bacon **
Kenneth J. Bacon, Chairman and Director

/s/ Johnese M. Spisso **
Johnese M. Spisso, Director

/s/ Karen B. DeSalvo **
Karen B. DeSalvo, Director

/s/ Kathryn M. Sullivan **
Kathryn M. Sullivan, Director

/s/ Philip L. Hawkins **
Philip L. Hawkins, Director

/s/ Shankh Mitra **
Shankh Mitra, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Dennis G. Lopez **
Dennis G. Lopez, Director

/s/ Timothy G. McHugh **
Timothy G. McHugh, Executive Vice President - Chief
Financial Officer (Principal Financial Officer)

/s/ Ade J. Patton **
Ade J. Patton, Director

/s/ Joshua T. Fieweger**
Joshua T. Fieweger, Chief Accounting Officer
(Principal Accounting Officer)

/s/ Diana W. Reid **
Diana W. Reid, Director

/s/ Sergio D. Rivera **
Sergio D. Rivera, Director

****By:** /s/ Shankh Mitra
Shankh Mitra, Attorney-in-Fact

Vancouver, WA	—	1,477	22,773	862	1,477	23,635	1,882	2022	2015	5300 NE 82nd Avenue				
Vancouver, BC	—	7,282	6,572	2,880	7,552	9,182	6,134	2015	1974	2803 W 41st Avenue				
Vandalia, IL	—	800	5,334	353	832	5,655	1,037	2021	2003	1607 W Fillmore Street				
Vankleek Hill, ON	—	389	2,960	648	412	3,585	1,438	2013	1987	48 Wall Street				
Vaudreuil, QC	6,794	1,852	14,214	2,578	1,932	16,712	5,034	2015	1975	333 Rue Querbes				
Venice, FL	—	13,646	102,226	359	13,692	102,539	12,857	2021	2019	19600 Floridian Club Drive				
Venice, FL	—	11,150	10,674	661	11,150	11,335	4,228	2008	2009	1600 Center Road				
Vernon, BC	—	3,911	43,983	4,590	4,020	48,464	5,540	2022	2018	1800 58th Avenue				
Vero Beach, FL	—	2,930	40,070	27,617	2,930	67,687	33,300	2007	2003	7955 16th Manor				
Victoria, BC	5,272	2,856	18,038	2,046	3,025	19,915	7,421	2013	1974	3000 Shelbourne Street				
Victoria, BC	—	3,681	15,774	1,939	3,886	17,508	6,749	2013	1988	3051 Shelbourne Street				
Victoria, BC	—	2,476	15,379	2,343	2,626	17,572	4,602	2015	1990	3965 Shelbourne Street				
Virginia Water, UK	—	7,106	29,937	6,808	5,579	38,272	17,618	2012	2002	Christ Church Road				
Visalia, CA	—	868	16,855	2,967	911	19,779	2,814	2021	1987	4119 W Walnut Avenue				
Voorhees, NJ	—	3,700	24,312	3,499	3,873	27,638	8,505	2012	2013	311 Route 73				
Waco, TX	—	1,383	11,020	679	1,416	11,666	1,560	2021	1997	3209 Village Green Drive				
Wall, NJ	—	1,650	25,350	4,443	1,731	29,712	9,709	2011	2003	2021 Highway 35				
Walla Walla, WA	—	1,414	2,399	135	1,415	2,533	592	2021	1987	1400 Dalles Military Road				
Walnut Creek, CA	—	3,700	12,467	3,796	3,826	16,137	6,969	2013	1998	2175 Ygnacio Valley Road				
Walnut Creek, CA	—	10,320	100,890	23,303	10,469	124,044	34,763	2016	1988	1580 Geary Road				
Walnut Creek, CA	—	7,167	107,732	12,962	7,224	120,637	10,986	2022	1991	1700 Tice Valley Boulevard				
Walnut Creek, CA	—	4,243	—	—	4,243	—	—	2022	1900	1700 Tice Valley Boulevard				
Wandsworth, UK	—	—	—	72,363	23,166	49,197	5,475	2017	2020	94 N Side Wandsworth Common				
Warner Robins, GA	—	4,277	57,330	956	4,277	58,286	307	2023	2023	91 Bass Road				
Warsaw, NY	—	2,148	8,452	832	2,148	9,284	1,367	2022	2019	5378 Conable Way				
Washington, DC	—	4,021	68,700	—	4,021	68,700	19,672	2013	2004	5111 Connecticut Avenue NW				
Washington Court House, OH	—	228	2,408	412	230	2,818	337	2021	1995	500 Glenn Avenue				
Watchung, NJ	—	1,920	24,880	5,227	2,210	29,817	9,335	2011	2000	680 Mountain Boulevard				
Waterford, MI	—	988	13,206	1,788	1,022	14,960	2,026	2021	1999	900 N Cass Lake Road				
Waterville, OH	—	2,574	44,647	1,372	2,609	45,984	5,602	2020	2018	1470 Pray Boulevard				
Waukee, IA	—	1,870	31,878	2,009	1,903	33,854	9,873	2012	2007	1650 SE Holiday Crest Circle				
Waxahachie, TX	—	650	5,763	906	650	6,669	2,633	2007	2008	1329 Brown Street				
Wayland, MA	—	1,207	27,462	2,485	1,364	29,790	10,880	2013	1997	285 Commonwealth Road				
Weatherford, TX	—	660	5,261	919	660	6,180	2,494	2006	2007	1818 Martin Drive				
Webster Groves, MO	—	1,790	15,425	3,143	1,846	18,512	7,141	2011	2012	45 E Lockwood Avenue				
Wellesley, MA	—	4,690	77,462	1,711	4,690	79,173	21,688	2015	2012	23 & 27 Washington Street				
Wentzville, MO	—	2,489	34,358	2,184	2,489	36,542	483	2023	2019	110 Perry Cate Boulevard				
West Babylon, NY	—	3,960	47,085	3,157	4,062	50,140	16,458	2013	2003	580 Montauk Highway				
West Bloomfield, MI	—	1,040	12,300	991	1,103	13,228	4,668	2013	2000	7005 Pontiac Trail				
West Chester Township, OH	—	2,319	47,857	1,562	2,319	49,419	6,100	2020	2019	7129 Gilmore Road				
West Hills, CA	—	2,600	7,521	2,130	2,658	9,593	4,346	2013	2002	9012 Topanga Canyon Road				
West Kelowna, BC	—	3,739	32,443	3,386	3,833	35,735	3,881	2022	2005	2505 Ingram Road				
West Seneca, NY	8,589	1,432	6,684	1,298	1,835	7,579	1,944	2019	2000	1187 Orchard Park Drive				
West Seneca, NY	8,812	1,323	7,547	761	1,434	8,197	1,860	2019	2007	2341 Union Road				
West Vancouver, BC	14,830	7,059	28,155	8,294	7,444	36,064	11,833	2013	1987	2095 Marine Drive				
Westbourne, UK	—	5,441	41,420	8,127	5,610	49,378	17,974	2013	2006	16-18 Poole Road				
Westerville, OH	—	1,257	9,550	416	1,257	9,966	952	2022	2013	865 Maxtown Road				
Westerville, OH	20,207	1,908	29,363	106	1,908	29,469	915	2023	2012	730 N Spring Road				
Westfield, MA	—	3,406	29,114	2,222	3,406	31,336	442	2023	2013	551 North Road				
Westford, MA	—	1,440	32,607	974	1,468	33,553	8,650	2015	2013	108 Littleton Road				
Westworth Village, TX	—	2,060	31,296	164	2,060	31,460	7,493	2014	2014	25 Leonard Trail				
Weymouth, MA	—	7,688	71,023	—	7,688	71,023	342	2021	2023	1435 Main Street				
Weymouth, UK	—	2,591	16,551	1,826	2,676	18,292	4,912	2014	2013	Cross Road				
Wheatfield, NY	—	1,357	9,601	1,090	1,462	10,586	1,315	2022	2008	3979 Forest Park Way				
White Marsh, MD	—	—	—	10,251	10,251	—	—	2021	1900	8110 Perry Hall Boulevard				
White Oak, MD	—	2,304	24,768	3,483	2,463	28,092	9,738	2013	2002	11621 New Hampshire Avenue				
Whitesboro, NY	11,639	1,630	12,001	1,219	1,840	13,010	2,806	2019	2015	4770 Middle Settlement Road				
Wichita, KS	—	1,400	11,000	710	1,400	11,710	7,300	2006	1997	505 N Maize Road				
Wichita, KS	—	630	19,747	1,194	630	20,941	6,173	2012	2009	2050 N Webb Road				
Wichita, KS	—	900	10,134	486	900	10,620	3,498	2011	2012	10600 E 13th Street N				
Willoughby, OH	11,514	1,309	10,540	753	1,332	11,270	2,367	2019	2016	35100 Chardon Road				
Wilmington, DE	—	1,040	23,338	2,864	1,326	25,916	9,161	2013	2004	2215 Shipley Street				
Wilmington, NC	—	1,538	28,202	499	1,550	28,689	4,117	2021	1991	1402 Hospital Plaza Drive				
Wilmington, NC	26,019	6,427	35,832	960	6,427	36,792	210	2023	2017	7220 Myrtle Grove Road				
Wilmington, NC	—	7,974	93,012	9,051	7,974	102,063	1,341	2023	2016	630 Carolina Bay Drive				
Wimbledon, UK	—	—	—	25,531	17,847	17,847	4,121	2015	2016	6 Victoria Drive				
Winchester, UK	—	6,009	29,405	2,938	6,206	32,146	11,633	2012	2010	Stockbridge Road				
Winnipeg, MB	22,557	1,276	21,732	3,208	1,607	24,609	8,011	2013	1988	3161 Grant Avenue				
Winnipeg, MB	10,314	1,317	15,609	3,465	1,401	18,990	5,546	2015	1999	125 Portsmouth Boulevard				
Woking, UK	—	—	—	16,268	2,988	13,280	2,373	2016	2017	12 Streets Heath, W End				
Wolverhampton, UK	—	—	—	13,466	3,033	10,433	4,332	2013	2008	73 Wergs Road				
Woodland Hills, CA	—	3,400	20,478	1,774	3,456	22,196	8,138	2013	2005	20461 Ventura Boulevard				
Wooster, OH	13,582	1,560	22,555	2,093	1,560	24,648	2,758	2022	2014	939 Portage Road				
Wyoming, MI	—	3,373	25,319	2,591	3,380	27,903	4,322	2021	1999	2380 Aurora Pond Drive SW				
Yakima, WA	—	1,104	10,707	618	1,195	11,234	1,589	2021	1988	620 N 34th Avenue				
Yonkers, NY	—	3,962	50,107	3,572	4,074	53,567	17,995	2013	2005	65 Crisfield Street				
Yorkton, SK	2,388	463	8,760	1,047	487	9,783	3,208	2013	2001	94 Russell Drive				
Zionsville, IN	—	1,610	22,400	2,153	1,610	24,553	8,261	2010	2009	11755 N Michigan Road				
Zionsville, IN	—	2,162	33,238	252	2,162	33,490	2,880	2021	2018	6800 Central Boulevard				
Seniors Housing Operating Total	\$	1,760,778	\$	2,296,482	\$	20,037,488	\$	4,923,531	\$	2,620,060	\$	24,637,441	\$	5,754,186

Welltower Inc.
Schedule III
Real Estate and Accumulated Depreciation
December 31, 2023

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements		Land & Land Improvements	Building & Improvements	Accumulated Depreciation ⁽¹⁾			
Triple-net:										
Abilene, TX	\$ —	\$ 950	\$ 20,987	\$ 11,833	\$ 950	\$ 32,820	\$ 6,884	2014	1998	6565 Central Park Boulevard
Abilene, TX	—	990	8,187	1,232	990	9,419	2,318	2014	1985	1250 E N 10th Street
Agawam, MA	—	880	13,942	—	880	13,942	9,534	2002	1993	1200 Suffield Street
Akron, OH	—	633	3,002	—	633	3,002	460	2018	1999	171 N Cleveland Massillon Road
Akron, OH	—	—	—	6,206	991	5,215	40	2021	2016	3522 Commercial Drive
Alexandria, VA	—	2,452	6,826	—	2,452	6,826	1,011	2018	1964	1510 Collingwood Road
Alhambra, CA	—	600	6,305	8,971	600	15,276	4,031	2011	1923	1118 N Stoneman Avenue
Allen Park, MI	—	1,767	5,025	—	1,767	5,025	753	2018	1960	9150 Allen Road
Allentown, PA	—	494	11,845	—	494	11,845	1,731	2018	1995	5151 Hamilton Boulevard
Allentown, PA	—	1,491	4,822	—	1,491	4,822	740	2018	1988	1265 Cedar Crest Boulevard
Alma, MI	—	1,267	6,543	—	1,267	6,543	888	2020	2009	1320 Pine Avenue
Amarillo, TX	—	1,273	11,705	—	1,273	11,705	1,488	2022	2015	1610 Research Street
Ann Arbor, MI	—	2,172	11,123	—	2,172	11,123	1,755	2018	1997	4701 E Huron River Drive
Annapdale, VA	—	1,687	18,974	—	1,687	18,974	2,713	2018	2002	7104 Braddock Road
Arlington, VA	—	4,016	8,801	—	4,016	8,801	1,284	2018	1976	550 S Carlin Springs Road
Asheboro, NC	—	290	5,032	454	290	5,486	2,777	2003	1998	514 Vision Drive
Asheville, NC	—	204	3,489	30	204	3,519	2,260	1999	1999	4 Walden Ridge Drive
Asheville, NC	—	280	1,955	796	280	2,751	1,324	2003	1992	308 Overlook Road
Atchison, KS	—	140	5,610	24	140	5,634	1,272	2015	2001	1301 N 4th Street
Austin, TX	—	1,691	5,005	—	1,691	5,005	974	2018	2000	11630 Four Iron Drive
Avon, IN	—	900	19,444	—	900	19,444	5,154	2014	2013	10307 E County Road 100 N
Avon, CT	—	2,132	7,624	—	2,132	7,624	1,362	2018	2000	100 Fisher Drive
Azusa, CA	—	570	3,141	7,933	570	11,074	4,918	1998	1953	125 W Sierra Madre Avenue
Bad Axe, MI	—	1,317	5,972	—	1,317	5,972	908	2020	2010	150 Meadow Lane
Baldwin City, KS	—	190	4,810	58	190	4,868	1,129	2015	2000	321 Crimson Avenue
Ballymena, UK	—	487	8,503	—	487	8,503	256	2023	2000	28 Broughshane Road
Ballymena, UK	—	550	5,465	—	550	5,465	185	2023	2023	28 Broughshane Road
Baltimore, MD	—	4,306	4,303	—	4,306	4,303	687	2018	1978	6600 Ridge Road
Baltimore, MD	—	3,069	3,148	—	3,069	3,148	535	2018	1996	4669 Falls Road
Banbridge, UK	—	1,053	7,110	—	1,053	7,110	271	2023	2013	23 Bannview Road
Barberton, OH	—	1,307	9,310	—	1,307	9,310	1,350	2018	1979	85 Third Street
Bartlesville, OK	—	100	1,380	—	100	1,380	989	1996	1995	5420 SE Adams Boulevard
Bay City, MI	—	633	2,619	—	633	2,619	434	2018	1968	800 Mulholland Street
Bedford, PA	—	637	4,432	—	637	4,432	761	2018	1965	136 Donahoe Manor Road
Belfast, UK	—	1,066	6,401	—	1,066	6,401	254	2023	2015	420 Crumlin Road
Belfast, UK	—	145	6,561	—	145	6,561	177	2023	2020	420 Crumlin Road
Belfast, UK	—	816	4,957	—	816	4,957	196	2023	2010	250 Ballygomartin Road
Belfast, UK	—	777	20,072	—	777	20,072	571	2023	2021	375 N Queen Street
Belmont, CA	—	3,000	23,526	2,138	3,000	25,664	10,098	2011	1971	1301 Ralston Avenue
Belvidere, NJ	—	2,001	26,191	117	2,001	26,308	4,160	2019	2009	1 Brookfield Court

(Dollars in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
		Land & Land Improvements	Building & Improvements		Land & Land Improvements	Building & Improvements	Accumulated Depreciation ⁽¹⁾			
Triple-net:										
Benbrook, TX	—	1,550	13,553	2,825	1,550	16,378	4,936	2011	1984	4242 Bryant Irvin Road
Berkeley, CA	10,853	3,050	32,677	5,172	3,050	37,849	10,428	2016	1966	2235 Sacramento Street
Bethel Park, PA	—	1,700	16,007	19	1,700	16,026	6,316	2007	2009	5785 Baptist Road
Bethel Park, PA	—	1,008	6,740	—	1,008	6,740	1,047	2018	1986	60 Highland Road
Bethesda, MD	—	2,218	6,869	—	2,218	6,869	983	2018	1974	6530 Democracy Boulevard
Bethlehem, PA	—	1,191	16,887	—	1,191	16,887	2,350	2018	1979	2021 Westgate Drive
Bethlehem, PA	—	1,143	13,588	—	1,143	13,588	1,902	2018	1982	2029 Westgate Drive
Beverly Hills, CA	—	6,000	13,385	203	6,000	13,588	3,151	2014	2000	220 N Clark Drive
Bexleyheath, UK	—	3,750	10,807	480	3,750	11,163	2,691	2014	1996	35 West Street
Bingham Farms, MI	—	781	15,671	—	781	15,671	2,261	2018	1999	24005 W 13 Mile Road
Birmingham, UK	—	—	—	21,364	1,644	19,720	4,402	2015	2010	Braymoor Road, Tile Cross
Birmingham, UK	—	—	—	11,640	1,223	10,417	2,343	2015	1997	122 Tile Cross Road, Garretts Green
Birmingham, UK	—	—	—	17,043	1,701	15,342	3,475	2015	2010	Clinton Street, Winson Green
Birmingham, UK	—	—	—	10,864	1,510	9,354	2,151	2015	2010	Clinton Street, Winson Green
Blaine, MN	—	—	—	11,764	1,780	9,984	59	2021	2016	11748 Ulysses Lane NE
Bloomington, IN	—	670	17,423	—	670	17,423	4,130	2015	2015	363 S Fieldstone Boulevard
Boca Raton, FL	—	2,200	4,974	—	2,200	4,974	935	2018	1994	7225 Boca Del Mar Drive
Boca Raton, FL	—	2,826	4,061	—	2,826	4,061	683	2018	1984	375 NW 51st Street
Boulder, CO	—	3,601	21,364	—	3,601	21,364	3,298	2018	1990	2800 Palo Parkway
Bournemouth, UK	—	2,488	17,248	—	2,488	17,248	2,259	2019	2017	Poole Lane
Boynton Beach, FL	—	2,138	10,201	—	2,138	10,201	1,611	2018	1991	3600 Old Boynton Road
Boynton Beach, FL	—	2,804	14,222	—	2,804	14,222	2,051	2018	1984	3001 S Congress Avenue
Bracknell, UK	—	4,078	11,065	—	4,078	11,065	1,859	2014	2017	Crowthorne Road N
Bradenton, FL	—	252	3,298	—	252	3,298	2,375	1996	1995	6101 Pointe W Boulevard
Bradenton, FL	—	2,562	19,717	—	2,562	19,717	126	2023	2000	6305 Cortez Road W
Bradenton, FL	—	1,551	13,517	—	1,551	13,517	86	2023	1996	105 15th Street E
Bradenton, FL	—	507	4,424	—	507	4,424	28	2023	1996	105 15th Street E
Braintree, UK	—	—	13,296	438	—	13,734	3,380	2014	2009	Meadow Park Tortoiseshell Way
Brandon, FL	—	2,378	17,414	—	2,378	17,414	112	2023	1997	1465 Oakfield Drive
Brandon, FL	—	2,186	16,256	—	2,186	16,256	103	2023	1991	702 S Kings Avenue
Brecksville, OH	—	990	19,353	614	990	19,967	5,021	2014	2011	8757 Brecksville Road
Brick, NJ	—	1,290	25,247	1,464	1,290	26,711	8,944	2011	2000	458 Jack Martin Boulevard
Bridgewater, NJ	—	1,800	31,810	1,849	1,800	33,659	11,260	2011	2001	680 US-202/206 N
Bristol, UK	—	—	—	21,337	4,087	17,250	4,169	2015	2017	339 Badminton Road
Bristol, UK	—	—	—	14,694	2,180	12,514	1,862	2017	2019	Avon Valley Care Home, Tennis Court Road
Brooks, AB	—	376	4,951	267	394	5,200	1,299	2014	2000	951 Cassils Road W
Brooksville, FL	—	2,281	18,506	—	2,281	18,506	116	2023	1997	12170 Cortez Boulevard
Brooksville, FL	—	1,943	14,550	—	1,943	14,550	92	2023	1982	1445 Howell Avenue
Bucyrus, OH	—	1,119	2,611	—	1,119	2,611	463	2018	1976	1170 W Mansfield Street
Burleson, TX	—	670	13,985	2,843	670	16,828	5,301	2011	1988	300 Huguley Boulevard
Burlington, NC	—	280	4,297	849	280	5,146	2,646	2003	2000	3619 S Mehane Street
Burlington, NC	—	460	5,467	110	460	5,577	2,926	2003	1997	3615 S Mehane Street
Bumaby, BC	—	7,623	13,844	1,047	7,991	14,523	3,661	2014	2006	7195 Canada Way
Calgary, AB	—	2,341	42,768	2,245	2,454	44,900	10,891	2014	1971	1729-90th Avenue SW
Calgary, AB	—	4,569	70,199	3,617	4,789	73,596	17,735	2014	2001	500 Midpark Way SE
Callaway, FL	—	1,464	10,637	—	1,464	10,637	68	2023	1981	626 N Tyndall Parkway
Camp Hill, PA	—	517	3,596	—	517	3,596	537	2018	1970	1700 Market Street
Canonsburg, PA	—	911	4,828	—	911	4,828	786	2018	1986	113 W McMurray Road
Canton, OH	—	300	2,098	181	300	2,279	1,363	1998	1998	1119 Perry Drive NW
Canton, MI	—	1,399	16,966	—	1,399	16,966	2,441	2018	2005	7025 Lilley Road
Cape Coral, FL	—	530	3,281	35	530	3,316	1,863	2002	2000	911 Santa Barbara Boulevard
Cape Coral, FL	—	1,802	14,467	—	1,802	14,467	92	2023	1987	216 Santa Barbara Boulevard

Wabash, IN	—	671	14,288	—	670	14,289	4,040	2014	2013	20 John Kissinger Drive	
Waconia, MN	—	890	14,726	4,495	890	19,221	6,103	2011	2005	500 Cherry Street	
Wake Forest, NC	—	200	3,003	2,625	200	5,628	2,932	1998	1999	611 S Brooks Street	
Wallingford, PA	—	1,356	6,487	—	1,356	6,487	1,080	2018	1930	115 S Providence Road	
Walnut Creek, CA	—	4,358	18,407	—	4,358	18,407	2,683	2018	1997	1975 Tice Valley Boulevard	
Walnut Creek, CA	—	5,394	39,084	—	5,394	39,084	5,417	2018	1990	1226 Rossmoor Parkway	
Walsall, UK	—	—	—	10,067	—	1,223	8,844	2,103	2015	2015	Little Aston Road
Warrego, KS	—	40	2,510	61	40	2,571	604	2015	1996	1607 4th Street	
Warren, NJ	—	2,000	30,810	1,605	2,000	32,415	10,484	2011	1999	274 King George Road	
Waterloo, IA	—	605	3,030	—	605	3,030	488	2018	1964	201 W Ridgeway Avenue	
Wayne, NJ	—	1,427	15,674	—	1,427	15,674	2,904	2018	1998	800 Hamburg Turnpike	
Wellingborough, UK	—	1,480	5,724	237	1,529	5,912	1,564	2015	2015	159 Northampton	
West Bend, WI	—	620	17,790	38	620	17,828	5,677	2010	2011	2130 Continental Drive	
West Des Moines, IA	—	828	5,103	—	828	5,103	831	2018	2006	5010 Grand Ridge Drive	
West Milford, NJ	—	1,960	24,614	327	1,960	24,941	4,000	2019	2000	197 Cahill Cross Road	
West Orange, NJ	—	1,347	19,389	—	1,347	19,389	3,365	2018	1998	510 Prospect Avenue	
West Palm Beach, FL	—	1,175	8,294	—	1,175	8,294	1,328	2018	1996	2330 Village Boulevard	
West Palm Beach, FL	—	1,921	5,731	—	1,921	5,731	886	2018	1996	2300 Village Boulevard	
West Palm Beach, FL	—	2,746	17,977	—	2,746	17,977	287	2023	1988	6414 13th Road S	
West Palm Beach, FL	—	1,787	14,378	—	1,787	14,378	92	2023	1986	5065 Wallis Road	
West Palm Beach, FL	—	1,366	17,908	—	1,366	17,908	96	2023	1993	2939 S Haverhill Road	
West Reading, PA	—	890	12,118	—	890	12,118	1,672	2018	1975	425 Buttonwood Street	
Westerville, OH	—	740	8,287	6,657	740	14,944	11,311	1998	2001	690 Cooper Road	
Westerville, OH	—	—	—	26,121	—	2,566	23,555	2,554	2017	2020	702 Polarix Parkway
Westerville, OH	—	1,420	5,371	—	1,420	5,371	825	2018	1982	1060 Eastwind Drive	
Westerville, OH	—	1,582	10,279	—	1,582	10,279	1,605	2018	1980	215 Huber Village Boulevard	
Westfield, IN	—	891	15,964	—	890	15,965	4,365	2014	2013	937 E 186th Street	
Westlake, OH	—	855	11,963	—	855	11,963	1,798	2018	1997	28400 Center Ridge Road	
Weston Super Mare, UK	—	2,517	7,054	315	2,600	7,286	2,012	2013	2011	141b Milton Road	
Wheaton, MD	—	3,864	3,788	—	3,864	3,788	604	2018	1961	11901 Georgia Avenue	
Whippany, NJ	—	1,571	14,977	—	1,571	14,977	2,263	2018	2000	18 Eden Lane	
Whitehall, MI	—	1,645	6,789	—	1,645	6,789	1,021	2020	2012	6827 Whitehall Road	
Wichita, KS	—	860	8,873	—	860	8,873	3,125	2011	2012	10604 E 13th Street N	
Wichita, KS	—	260	2,240	137	260	2,377	568	2015	1992	900 N Bayshore Drive	
Williamsburg, VA	—	1,187	5,728	6	1,187	5,734	2,118	2018	2000	1811 Jamestown Road	
Willoughby, OH	—	1,774	8,653	—	1,774	8,653	1,322	2018	1974	37603 Euclid Avenue	
Wilmington, DE	—	1,376	13,450	—	1,376	13,450	1,992	2018	1998	700 1/2 Foulk Road	
Wilmington, DE	—	2,843	36,948	—	2,843	36,948	5,260	2018	1988	5651 Limestone Road	
Wilmington, DE	—	2,266	9,500	—	2,266	9,500	1,445	2018	1984	700 Foulk Road	
Wilmington, NC	—	210	2,991	56	210	3,047	1,912	1999	1999	3501 Converse Drive	
Wilmington, NC	—	400	15,355	592	400	15,947	4,118	2014	2012	3828 Independence Boulevard	
Windsor, VA	—	1,148	6,514	7	1,148	6,521	2,379	2018	1999	23352 Courthouse Highway	
Winston-salem, NC	—	360	2,514	595	360	3,109	1,622	2003	1996	2980 Reynolda Road	
Winter Garden, FL	—	1,110	7,937	—	1,110	7,937	2,568	2012	2013	720 Roper Road	
Winter Garden, FL	—	3,238	21,486	—	3,238	21,486	340	2023	1984	15204 W Colonial Drive	
Winter Springs, FL	—	1,152	14,822	—	1,152	14,822	2,171	2018	1999	1057 Willa Springs Drive	
Witherwack, UK	—	944	6,915	258	975	7,142	1,974	2013	2009	Whitechurch Road	
Wolverhampton, UK	—	1,573	6,678	272	1,625	6,898	1,922	2013	2011	378 Prestonwood Road	
Woodbury, MN	—	1,317	20,935	298	1,317	21,233	4,116	2017	2015	2195 Century Avenue S	
Woodstock, VA	—	594	5,108	5	594	5,113	1,623	2018	2001	803 S Main Street	
Worcester, MA	—	3,500	54,099	—	3,500	54,099	20,008	2007	2009	101 Barry Road	
Yardley, PA	—	773	14,914	—	773	14,914	2,310	2018	1995	493 Stony Hill Road	
Yardley, PA	—	1,561	9,439	—	1,561	9,439	1,740	2018	1990	1480 Oxford Valley Road	
York, PA	—	976	9,354	—	976	9,354	1,408	2018	1972	200 Pauline Drive	
York, PA	—	1,050	4,210	—	1,050	4,210	750	2018	1983	2400 Kingston Court	
York, PA	—	1,121	7,584	—	1,121	7,584	1,220	2018	1979	1770 Barley Road	
York, UK	—	2,961	8,266	369	3,058	8,538	2,103	2014	2006	Rosetta Way, Boroughbridge Road	
Youngsville, NC	—	380	10,689	175	380	10,864	2,796	2014	2013	100 Sunset Drive	
Zephyrhills, FL	—	2,131	6,669	—	2,131	6,669	1,128	2018	1987	38220 Henry Drive	
Triple-net Total	\$	38,261	\$ 970,310	\$ 7,578,624	\$ 645,258	\$ 1,016,599	\$ 8,177,593	\$ 1,694,904			

**Welltower Inc.
Schedule III
Real Estate and Accumulated Depreciation
December 31, 2023**

(Dollars in thousands)

Description	Initial Cost to Company				Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
	Encumbrances	Land & Land Improvements	Building & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Building & Improvements	Accumulated Depreciation ⁽¹⁾			
Outpatient Medical:										
Addison, IL	\$ —	\$ 102	\$ 19,089	\$ 423	\$ 102	\$ 19,512	\$ 2,965	2018	2012	303 W Lake Street
Agawam, MA	—	1,072	4,544	688	1,072	5,232	1,189	2005	2005	230-232 Main Street
Allen, TX	—	726	14,196	2,489	726	16,685	7,560	2012	2006	1105 N Central Expressway
Alpharetta, GA	—	476	14,757	103	476	14,860	5,690	2011	2003	11975 Morris Road
Alpharetta, GA	—	1,862	—	—	1,862	—	—	2011	1900	940 N Point Parkway
Alpharetta, GA	—	548	17,103	1,353	548	18,456	8,774	2011	2007	3300 Old Milton Parkway
Alpharetta, GA	—	—	—	20,525	773	19,752	10,123	2011	1993	3400-a Old Milton Parkway
Alpharetta, GA	—	—	—	39,219	1,769	37,450	19,483	2011	1999	3400-c Old Milton Parkway
American Fork, UT	6,395	2,769	7,688	619	2,769	8,307	520	2023	2004	1159 E 200 N
Ann Arbor, MI	—	4,234	30,085	104	4,234	30,189	3,416	2021	2016	4350 Jackson Road
Ann Arbor, MI	—	4,044	15,915	68	4,044	15,983	2,640	2021	2014	4200 Whitehall Drive
Anna, TX	—	3,050	—	8	3,058	—	—	2022	1900	1029 W White Street
Appleton, WI	—	1,881	7,540	1,333	1,881	8,873	1,598	2019	2004	5320 W Michael Drive
Appleton, WI	—	3,782	18,003	2,452	3,782	20,455	3,562	2019	2005	2323 N Casaloma Drive
Arcadia, CA	—	—	—	35,102	5,637	29,465	15,896	2006	1984	301 W Huntington Drive
Arlington, TX	—	—	—	19,827	82	19,745	7,303	2012	2012	902 W Randol Mill Road
Arlington, TX	—	1,785	8,926	559	1,785	9,485	379	2023	2014	3533 Matlock Road
Arlington Heights, IL	—	1,233	2,826	649	1,233	3,475	1,049	2020	1997	1632 W Central Road
Atlanta, GA	—	4,931	18,720	8,911	5,387	27,175	16,411	2006	1991	755 Mount Vernon Highway
Atlanta, GA	—	—	—	45,769	—	45,769	19,091	2012	2006	5670 Peachtree-dunwoody Road
Atlanta, GA	—	—	—	29,754	2,172	27,582	12,685	2012	1984	975 Johnson Ferry Road
Austin, TX	—	1,066	10,112	—	1,066	10,112	2,642	2017	2017	5301-b Davis Lane
Austin, TX	—	1,688	5,865	919	1,688	6,784	1,618	2019	2015	5301-a Davis Lane
Baltimore, MD	—	4,490	28,667	2,627	4,490	31,294	4,706	2019	2014	1420 Key Highway
Batavia, OH	—	30	9,929	1,741	30	11,670	625	2023	2006	2055 Hospital Drive
Beaumont, CA	—	7,555	28,294	3,019	7,555	31,313	692	2023	2009	81 S Highland Springs Avenue
Beaumont, TX	—	—	12,115	—	—	12,115	177	2022	2023	3010 Harrison Avenue
Bellevue, NE	—	—	—	16,835	—	16,835	7,713	2010	2010	2510 Bellevue Medical Center Drive
Bend, OR	—	16,516	28,429	3,637	16,516	32,066	6,587	2019	2001	1501 NE Medical Center Drive
Berkeley Heights, NJ	—	49,555	79,091	13,715	49,555	92,806	14,501	2019	1978	1 Diamond Hill Road
Beverly Hills, CA	—	20,766	40,730	4,726	20,766	45,456	13,506	2015	1946	9675 Brighton Way
Beverly Hills, CA	—	18,863	1,192	653	18,885	1,823	1,069	2015	1955	415 N Bedford
Beverly Hills, CA	—	19,863	31,690	2,791	19,863	34,481	9,850	2015	1946	416 N Bedford
Beverly Hills, CA	33,729	32,603	28,639	5,373	32,603	34,012	10,126	2015	1950	435 N Bedford
Beverly Hills, CA	78,271	52,772	87,366	6,539	52,772	93,905	24,049	2015	1989	436 N Bedford
Birmingham, AL	—	90	34,349	4,430	90	38,779	2,279	2022	1994	513 Brookwood Boulevard
Birmingham, AL	—	40	34,096	4,392	40	38,488	2,249	2022	1985	2006 Brookwood Medical Center Drive

(Dollars in thousands)

Description	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
	Encumbrances	Land	Building & Improvements		Land	Building & Improvements	Accumulated Depreciation ⁽¹⁾			
Outpatient Medical:										
Birmingham, AL	—	60	42,792	5,507	60	48,299	2,844	2022	1979	2022 Brookwood Medical Center Drive
Birmingham, AL	—	50	20,514	2,649	50	23,163	1,364	2022	1975	2018 Brookwood Medical Center Drive
Boca Raton, FL	—	109	34,002	6,097	214	39,994	19,800	2006	1995	9970 S Central Park Boulevard
Boca Raton, FL	—	31	12,312	1,223	251	13,315	5,824	2012	1993	9960 S Central Park Boulevard
Bridgeton, MO	—	—	—	23,146	450	22,696	10,711	2010	2006	12266 DePaul Drive
Bridgeton, MO	—	—	—	8,349	1,501	6,848	2,340	2017	2008	3440 De Paul Lane
Brooklyn, NY	—	—	—	104,919	—	104,919	8,780	2015	2021	NE Corner of 9th & 49th Street
Burleson, TX	—	—	—	14,518	10	14,508	6,441	2011	2007	12001 South Freeway
Burnsville, MN	—	—	—	35,232	—	35,232	13,076	2013	2014	14101 Fairview Drive
Canton, MI	—	1,168	14,561	198	1,168	14,759	1,657	2021	2004	49650 Cherry Hill Road
Cape Coral, FL	—	2,273	12,169	1,434	2,273	13,603	1,895	2021	1995	2721 Del Prado Boulevard
Carmel, IN	—	—	—	12	—	12	—	2011	2005	12188-a N Meridian Street
Carmichael, CA	—	1,957	9,521	1,677	1,957	11,198	1,557	2022	1970	6620 Coyle Avenue
Cary, NC	—	2,816	10,645	1,912	2,816	12,557	3,518	2019	2007	540 Waverly Place
Cedar Park, TX	—	—	—	32,308	132	32,176	10,311	2017	2014	1401 Medical Parkway, Building 2
Chapel Hill, NC	—	488	2,242	149	488	2,391	477	2019	2010	100 Perkins Drive
Chapel Hill, NC	—	1,970	8,874	144	1,970	9,018	2,076	2018	2007	6011 Farrington Road
Chapel Hill, NC	—	1,970	8,925	54	1,970	8,979	2,334	2018	2007	6013 Farrington Road
Chapel Hill, NC	—	5,681	25,035	165	5,681	25,200	5,808	2018	2006	2226 N Carolina Highway 54
Charlotte, NC	—	10	23,265	2,365	10	25,630	6,216	2019	1971	1900 Randolph Road
Charlotte, NC	—	30	59,039	8,961	30	68,000	15,754	2019	1994	1918 Randolph Road
Charlotte, NC	—	40	40,533	5,484	40	46,017	10,140	2019	1989	1718 E Fourth Street
Charlotte, NC	—	1,746	8,378	1,507	1,746	9,885	2,678	2019	1998	309 S Sharon Amity Road
Charlotte, NC	—	—	—	93,565	15,678	77,887	8,615	2018	2021	1237 Harding Place
Charlotte, NC	—	—	22,949	89	—	23,038	1,535	2021	2021	830 Kenilworth Avenue
Charlotte, NC	—	—	—	58,056	11,783	46,273	4,527	2018	2021	1225 Harding Place
Cherry Hill, NJ	—	1,844	4,635	961	1,844	5,596	370	2022	1965	8 Ranoldo Terrace
Chesapeake, VA	—	1,146	2,702	733	1,146	3,435	260	2023	1981	110 Wimbledon Square
Chicopee, MA	—	6,078	13,793	2,151	6,078	15,944	3,921	2019	2005	444 Montgomery Street
Chula Vista, CA	—	1,114	14,902	1,194	1,114	16,096	2,779	2019	2008	971 Lane Avenue
Chula Vista, CA	—	1,075	6,828	421	1,075	7,249	1,314	2019	2006	959 Lane Avenue
Cincinnati, OH	—	—	—	18,417	2	18,415	7,039	2012	2013	3301 Mercy Health Boulevard
Cincinnati, OH	—	537	9,719	692	537	10,411	2,071	2019	2001	4850 Red Bank Expressway
Clarkson Valley, MO	—	—	—	36,746	—	36,746	20,178	2009	2010	15945 Clayton Road
Clear Lake, TX	—	—	—	26,001	2,319	23,682	2,861	2013	2014	1010 S Ponds Drive
Clinton, MI	—	1,138	824	5	1,138	829	291	2021	1987	11775 Tecumseh-Clinton Highway
Clyde, NC	—	1,433	21,099	967	1,433	22,066	3,148	2019	2012	581 Leroy George Drive
College Station, TX	—	1,111	7,194	—	1,111	7,194	399	2021	2021	1204 Copperfield Parkway
Columbia, MD	—	23	33,885	5,659	9,353	30,214	15,176	2015	1982	5450 & 5500 Knoll N Drive
Columbia, MD	—	12,159	72,636	1,631	12,159	74,267	15,300	2018	2009	10710 Charter Drive
Columbia, MD	—	2,333	19,232	1,961	2,333	21,193	9,167	2012	2002	10700 Charter Drive
Columbia, MO	—	438	12,426	1,625	438	14,051	2,856	2019	1994	1601 E Broadway
Columbia, MO	—	488	15,702	1,389	488	17,091	3,979	2019	1999	1605 E Broadway
Columbia, MO	—	199	22,289	3,341	199	25,630	4,892	2019	2007	1705 E Broadway
Coon Rapids, MN	—	—	—	29,846	—	29,846	11,485	2013	2014	11850 Blackfoot Street NW
Costa Mesa, CA	17,559	22,033	24,332	4,796	22,033	29,128	9,173	2017	2007	1640 Newport Boulevard
Dade City, FL	—	1,211	5,511	—	1,211	5,511	—	2011	1998	13413 US Highway 301
Dallas, TX	—	—	—	15,902	122	15,780	4,778	2013	2014	8196 Walnut Hill Lane
Dallas, TX	—	6,086	18,007	6,308	6,542	23,859	6,523	2018	2010	10740 N Central Expressway
Danbury, CT	—	2,382	25,403	370	2,414	25,741	2,083	2021	2019	40 Old Ridgebury Road
Danbury, CT	—	914	10,844	156	926	10,988	910	2021	2010	226 White Street
Danbury, CT	—	4,209	22,740	424	4,306	23,067	2,446	2021	2017	2 Riverview Drive
Decatur, GA	—	743	2,572	528	743	3,100	201	2023	1976	484 Irvin Court
Decatur, GA	—	1,465	2,524	535	1,465	3,059	276	2023	1971	465 Winn Way
Decatur, GA	—	963	2,423	373	963	2,796	379	2023	1971	487 Winn Way
Decatur, GA	—	1,505	2,053	471	1,505	2,524	226	2023	1976	495 Winn Way
Decatur, GA	—	1,485	1,529	429	1,485	1,958	235	2023	1976	497 Winn Way
Decatur, GA	—	1,355	2,892	702	1,355	3,594	379	2023	1976	500 Irvin Court
Deerfield Beach, FL	—	—	—	11,229	2,540	8,689	4,540	2011	2001	1192 E Newport Center Drive

Woodbridge, VA	—	346	16,617	—	346	16,617	3,103	2018	2012	12825 Minnieville Road				
Wyandotte, MI	—	581	8,023	773	581	8,796	1,337	2020	2002	1700 Biddle Avenue				
Ypsilanti, MI	—	3,615	12,696	287	3,615	12,983	1,603	2021	1989	4918, 4936, 4940, 4972, and 4990 W Clark Road				
Yuma, AZ	—	1,592	9,589	884	1,592	10,473	2,642	2019	2004	2270 S Ridgeview Drive				
Zephyrhills, FL	—	3,875	27,270	—	3,875	27,270	11,217	2011	1974	38135 Market Square Drive				
Outpatient Medical Total	\$	229,137	\$	848,834	\$	4,756,618	\$	2,603,702	\$	1,061,165	\$	7,147,989	\$	1,825,724

Welltower Inc.
Schedule III
Real Estate and Accumulated Depreciation
December 31, 2023

(Dollars in thousands)

Description	Initial Cost to Company				Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built	Address
	Encumbrances	Land & Land Improvements	Buildings & Improvements	Cost Capitalized Subsequent to Acquisition	Land & Land Improvements	Buildings & Improvements	Accumulated Depreciation			
Assets Held For Sale:										
Bellevue, WA	\$ —	\$ —	\$ —	\$ 25,480	\$ —	\$ 25,480	\$ —	2021	1900	919 109th Avenue NE
Braintree, MA	—	170	7,157	—	—	170	—	1997	1968	1102 Washington Street
Burlington, ON	15,339	1,309	19,311	—	—	16,092	—	2013	1990	500 Appleby Line
Calgary, AB	13,845	2,252	37,415	—	—	29,755	—	2013	2003	20 Promenade Way SE
Calgary, AB	7,883	3,122	38,971	—	—	32,373	—	2013	1998	150 Scotia Landing NW
Chula Vista, CA	—	1,045	21,387	—	—	20,112	—	2019	1973	480 4th Avenue
Chula Vista, CA	—	826	6,106	407	—	7,339	—	2019	1985	450 4th Avenue
Fort Worth, TX	—	1,740	19,799	—	—	5,451	—	2016	2014	7001 Bryant Irvin Road
Highland, IL	—	—	—	5,879	—	5,879	—	2012	2013	12860 Troxler Avenue
Las Vegas, NV	—	—	—	2,945	—	2,945	—	2007	1900	Sw Corner of Deer Springs Way and Riley Street
Markham, ON	46,660	3,727	48,939	—	—	37,403	—	2013	1981	7700 Bayview Avenue
Mississauga, ON	23,007	3,649	35,137	—	—	30,488	—	2015	1988	1490 Rathburn Road E
Oakville, ON	4,789	1,252	7,382	—	—	6,960	—	2013	1982	289 and 299 Randall Street
Ottawa, ON	16,133	3,454	23,309	—	—	20,751	—	2015	1966	2370 Carling Avenue
St. John's, NL	4,092	706	11,765	—	—	10,267	—	2015	2005	64 Portugal Cove Road
Surrey, BC	12,819	4,552	22,338	—	—	20,488	—	2013	1987	15501 16th Avenue
Toronto, ON	5,812	2,513	19,695	—	—	18,013	—	2013	2002	305 Balliol Street
Toronto, ON	4,964	1,447	3,918	—	—	4,490	—	2013	1987	1340 York Mills Road
Toronto, ON	17,649	2,927	20,713	—	—	22,921	—	2015	1900	54 Foxbar Road
Toronto, ON	5,163	5,082	25,493	—	—	25,586	—	2015	1988	645 Castlefield Avenue
Winnipeg, MB	8,886	1,960	38,612	—	—	29,920	—	2013	1999	857 Wilkes Avenue
Assets Held For Sale Total	\$ 187,041	\$ 41,733	\$ 407,447	\$ 34,711	\$ —	\$ 372,883	\$ —			

	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accumulated Depreciation
	Encumbrances	Land & Land Improvements	Buildings & Improvements		Land & Land Improvements	Buildings & Improvements		
Summary:								
Seniors Housing Operating	\$ 1,760,778	\$ 2,296,482	\$ 20,037,488	\$ 4,923,531	\$ 2,620,060	\$ 24,637,441	\$ 5,754,186	
Triple-net	38,261	970,310	7,578,624	645,258	1,016,599	8,177,593	1,694,904	
Outpatient Medical	229,137	848,834	4,756,618	2,603,702	1,061,165	7,147,989	1,825,724	
Construction in progress	7,228	—	1,304,441	—	—	1,304,441	—	
Total continuing operating properties	2,035,404	4,115,626	33,677,171	8,172,491	4,697,824	41,267,464	9,274,814	
Assets held for sale	187,041	41,733	407,447	34,711	—	372,883	—	
Total investments in real property owned	\$ 2,222,445	\$ 4,157,359	\$ 34,084,618	\$ 8,207,202	\$ 4,697,824	\$ 41,640,347	\$ 9,274,814	

(1) Please see Note 2 to our consolidated financial statements for information regarding lives used for depreciation and amortization.

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Investment in real estate:			
Beginning balance	\$ 41,000,766	\$ 37,605,747	\$ 33,670,006
Acquisitions and development	5,296,051	3,599,107	4,805,086
Improvements	517,682	476,017	282,834
Impairment of assets	(36,097)	(17,502)	(51,107)
Dispositions ⁽¹⁾	(688,370)	(97,102)	(1,063,990)
Foreign currency translation	248,139	(565,501)	(37,082)
Ending balance ⁽²⁾	<u>\$ 46,338,171</u>	<u>\$ 41,000,766</u>	<u>\$ 37,605,747</u>
Accumulated depreciation:			
Beginning balance	\$ 8,075,733	\$ 6,910,114	\$ 6,104,297
Depreciation and amortization expenses	1,401,101	1,310,368	1,037,566
Amortization of above market leases	5,658	3,991	4,036
Dispositions and other ⁽¹⁾	(237,280)	(38,327)	(234,397)
Foreign currency translation	29,602	(110,413)	(1,388)
Ending balance	<u>\$ 9,274,814</u>	<u>\$ 8,075,733</u>	<u>\$ 6,910,114</u>

(1) Includes property dispositions and dispositions of leasehold improvements which are generally fully depreciated. Additionally, during the year ended December 31, 2022, seven financing leases were classified as held for sale on our Consolidated Balance Sheet. During the year ended December 31, 2023, we executed a series of transactions that included the assignment of the leasehold interests in the properties to a newly formed tri-party unconsolidated joint venture and culminated in the closing of the purchase option by the joint venture. The transactions resulted in a gain from the loss of control and derecognition of the leasehold interests.

(2) The unaudited aggregate cost for tax purposes for real property equals \$ 34,142,821,000 at December 31, 2023.

Welltower Inc.
Schedule IV - Mortgage Loans on Real Estate
December 31, 2023

(in thousands)

Location	Segment	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount of Mortgages	Carrying Amount of Mortgages	Principal Amount of Loans Subject to Delinquent Principal or Interest
First mortgages relating to 1 property located in:								
North Carolina	Triple-net	18.50%	2023	Interest only until maturity	\$ —	\$ 32,783	\$ 32,347	\$ 32,783
First mortgages relating to multiple properties located in:								
United Kingdom	Triple-net	12.40%	2028	Interest until maturity; Interest paid-in-kind until maturity	—	779,175	753,333	—
United States - OR, NV, MT, SD, WA, WY	Triple-net	8.00%	2026	Interest only until maturity	—	40,000	39,120	—
United States - OR, NV, MT, SD, WA, WY	Triple-net	13.65%	2026	Interest only until maturity	—	170,000	166,260	—
First mortgages less than three percent of total:								
United States - DE, GA, MI, OH, SC, TX, WA	Various	6% - 18.50%	2023 - 2030	N/A	N/A	N/A	52,192	17,062
Totals					<u>\$ —</u>	<u>\$ 1,021,958</u>	<u>\$ 1,043,252</u>	<u>\$ 49,845</u>

	Year Ended December 31,		
	2023	2022	2021
Reconciliation of mortgage loans:	(in thousands)		
Balance at beginning of year	\$ 697,906	\$ 877,102	\$ 293,752
Additions:			
Advances on loans receivable	313,877	33,555	843,249
Interest added	39,768	49,932	11,815
Total additions	<u>353,645</u>	<u>83,487</u>	<u>855,064</u>
Deductions:			
Receipts on loans receivable	(42,415)	(181,040)	(214,132)
Loan balance transferred to non-real estate loans receivable	—	—	(9,142)
Change in allowance for credit losses and charge-offs	(4,706)	2,894	(6,984)
Other	—	—	(29,619)
Total deductions	<u>(47,121)</u>	<u>(178,146)</u>	<u>(259,877)</u>
Change in balance due to foreign currency translation	38,822	(84,537)	(11,837)
Balance at end of year	<u>\$ 1,043,252</u>	<u>\$ 697,906</u>	<u>\$ 877,102</u>

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2023, Welltower Inc. (the "Company") had the following classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) Common Stock, \$1.00 par value per share ("Common Stock"); (ii) guarantee of 4.800% Notes due 2028 issued by Welltower OP LLC ("Welltower OP" or the "Issuer"); and (iii) guarantee of 4.500% Notes due 2034 issued by Welltower OP. Each of the Company's securities registered under Section 12 of the Exchange Act are listed on the New York Stock Exchange.

DESCRIPTION OF COMMON STOCK

The following is a description of the rights of Common Stock and related provisions of the Company's Amended and Restated Certificate of Incorporation, as amended (the "Certificate"), and Amended and Restated By-Laws (the "By-Laws") and applicable Delaware law. This description is qualified in its entirety by, and should be read in conjunction with, the Certificate, By-Laws, and applicable Delaware law.

Authorized Capital Stock

The Certificate authorizes the Company to issue up to 700,000,000 shares of Common Stock and 50,000,000 shares of preferred stock, \$1.00 par value per share ("Preferred Stock"). As of February 9, 2024, the Company had 568,878,059 shares of Common Stock and no outstanding shares of Preferred Stock.

Dividend Rights

The holders of shares of Common Stock are entitled to receive dividends when declared by the Company's Board of Directors and after payment of, or provision for, full cumulative dividends on and any required redemptions of shares of Preferred Stock then outstanding, if any.

Voting Rights

The holders of shares of Common Stock are entitled to one vote per share on all matters to be voted on by such holders. Holders of shares of Common Stock are not entitled to cumulative voting rights.

Liquidation Rights

If the Company is voluntarily or involuntarily liquidated or dissolved, holders of shares of Common Stock are to share ratably in the Company's distributable assets remaining after the satisfaction of all of its debts and liabilities and the prior preferential rights of holders of share of Preferred Stock, if any.

Other Rights and Preferences

Holders of shares of Common Stock do not have preemptive rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares of Common Stock. The rights, preferences and privileges of holders of shares of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock which are outstanding or which the Company may designate and issue in the future.

Fully Paid and Nonassessable

All of the outstanding shares of Common Stock are fully paid and nonassessable.

Transfer Agent

The transfer agent for our common stock is Computershare Trust Company, N.A.

Listing

The Common Stock is listed on the New York Stock Exchange under the symbol "WELL."

Restrictions on Transfer of Securities

For the Company to qualify as a real estate investment trust ("REIT"), not more than 50% in value of the Company's outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of the Company's taxable year. In order to ensure that this requirement is satisfied, the By-Laws (with respect to Common Stock and Preferred Stock) provide that no person may acquire securities that would result in the direct or indirect beneficial ownership of more than 9.8% of the Common Stock or more than 9.8% in value of the Company's outstanding capital stock by such person. For purposes of application of such limitations to any person, all options, warrants, convertible securities or other rights to acquire the Company's capital stock held directly or indirectly by such person will be treated as if all such rights had been exercised. If any securities in excess of this limit are issued or transferred to any person, such issuance or transfer shall be valid only with respect to such amount of securities as does not exceed this limit, and such issuance or transfer will be void with respect to the excess. The Company's Board of Directors may grant limited exemptions from the ownership restrictions set forth in the By-Laws to specified persons if the board determines that each such limited exemption is in the best interests of the Company and its stockholders.

The By-Laws further provide that, if the foregoing stock ownership limitations are determined to be invalid by virtue of any legal decision, statute, rule or regulation, then the transferee of the shares or other securities will be deemed to have acted as the Company's agent in acquiring the shares or other securities that are in excess of the limit, and will be deemed to hold such excess shares or securities on behalf of the Company. As the equivalent of treasury securities for such purposes, the excess securities will not be entitled to any voting rights, will not be considered to be outstanding for quorum or voting purposes, and will not be entitled to receive dividends, interest or any other distribution with respect to such securities. Any person who receives dividends, interest or any other distribution in respect of the excess securities will hold the same as the Company's agent and for the transferee of the excess securities following a permitted transfer.

In addition, under the By-Laws, the Company may refuse to transfer any shares, passing either by voluntary transfer, by operation of law, or under the last will and testament of any stockholder, if such transfer would or might, in the opinion of the Company's Board of Directors or counsel to the Company, disqualify the Company as a REIT.

Anti-Takeover Provisions

The Certificate and By-Laws contain provisions that may have the effect of discouraging persons from acquiring large blocks of the Company's stock or delaying or preventing a change in control of the Company. The material provisions that may have such an effect are:

- A provision permitting the Company's Board of Directors to make, amend or repeal the By-Laws.
- Authorization for the Company's Board of Directors to issue Preferred Stock in series and to fix the rights and preferences of the series, including, among other things, whether and to what extent the shares of any series will have voting rights and the extent of the preferences of the shares of any series with respect to dividends and other matters.
- A prohibition on stockholders taking action by written consent in lieu of a meeting.
- Advance notice procedures with respect to nominations of directors by stockholders and proposals by stockholders of business at an annual meeting.
- The grant only to our board of directors of the right to call special meetings of stockholders.
- Limitations on the number of shares of the Company's capital stock that may be beneficially owned, directly or indirectly, by any one stockholder.
- Limitations on transactions that involve the Company and any stockholder who beneficially owns 5% or more of the Company's voting stock.
- A provision permitting amendment by the stockholders of certain of the provisions listed above only by an affirmative vote of the holders of at least 75% of all of the outstanding shares of the Company's voting stock, voting together as a single class.

Limitations on Transactions Involving the Company and Its Stockholders

Under the By-Laws, in addition to any vote otherwise required by law, the Certificate or the By-Laws, the following transactions will require the affirmative vote of the holders of at least 75% of the voting power of our then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class:

- Any merger or consolidation of the Company with or into:
 - any stockholder that owns 5% or more of the Company's voting stock; or
 - any other corporation or entity which is, or after such merger or consolidation would be, an affiliate of a stockholder that owns 5% or more of the Company's voting stock.
- Any sale, lease, exchange, mortgage, pledge, transfer or other disposition of substantially all of the Company's assets, in one transaction or a series of transactions, to or with any stockholder that owns 5% or more of the Company's voting stock or an affiliate of any such stockholder.
- Any reclassification of our securities, including any reverse stock split, or recapitalization or any other transaction that has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of the Company's equity securities that is directly or indirectly owned by any stockholder that owns 5% or more of the Company's voting stock or any affiliate of such a stockholder, whether or not the transaction involves such a stockholder.
- The adoption of any plan or proposal for the Company's liquidation or dissolution proposed by or on behalf of a stockholder that owns 5% or more of the Company's voting stock or any affiliate of such a stockholder.

These provisions will not apply to any of the transactions described above if:

- The Company is at the time of the consummation of the transaction, and at all times throughout the preceding twelve months have been, directly or indirectly, the owner of a majority of each class of the outstanding equity securities of the 5% stockholder that is a party to the transaction; or
- The transaction has been approved by a majority of the members of the Company's Board of Directors who, at the time such approval is given, were not affiliates or nominees of the 5% stockholder; or
- Both of the following conditions have been met:
 - the aggregate amount of the cash and the fair market value, as determined in good faith by the Company's Board of Directors, of the consideration other than cash to be received per share by holders of the Company's voting stock in such transaction shall be at least equal to the highest per share price paid by the 5% stockholder for any shares of voting stock acquired by it;
 - within the two-year period immediately prior to the first public announcement of the proposal of the transaction, or
 - in the transaction in which it became a 5% stockholder, whichever is higher; and
- the consideration to be received by holders of a particular class of outstanding voting stock shall be in cash or in the same form as the 5% stockholder previously paid for shares of such voting stock. If the 5% stockholder paid for shares of any class of voting stock with varying forms of consideration, the form of consideration to be paid by the 5% stockholder for such class of voting stock shall be either cash or the form used to acquire the largest number of shares of such class of voting stock previously acquired by the stockholder.

DESCRIPTION OF DEBT SECURITIES

The following description of the Company's 4.800% Notes due 2028 (the "2028 Notes") and 4.500% Notes due 2034 (the "2034 Notes," and together with the 2028 Notes, the "notes") is a summary and does not purport to be complete. This description is qualified in its entirety by reference to the Indenture, dated as of March 15, 2010 (as amended from time to time, the "Base Indenture"), among Welltower OP, as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee ("Trustee"), as supplemented in the case of the 2028 Notes by Supplemental Indenture No. 9, dated as of November 20, 2013, between the Company and the Trustee ("Supplemental Indenture No. 9") and in the case of the 2034 Notes by Supplemental Indenture No. 10, dated as of November 25, 2014 ("Supplemental Indenture No. 10," and together with Supplemental Indenture No. 9, the "Supplemental Indentures"). The Base Indenture as supplemented by the Supplemental Indentures shall be referred to in this description as "Indenture." In this section, unless specifically noted otherwise or unless the context otherwise requires, the terms "Issuer" and "Welltower OP" refer only to Welltower OP LLC and not its subsidiaries, the term "Company" refer only to Welltower Inc. and not its subsidiaries, and the terms "we," "us," and "our" refer only to the Company and the Issuer, collectively, and not their subsidiaries.

The Notes

The 2028 Notes

Welltower OP issued £550,000,000 aggregate principal amount of the 2028 Notes on November 20, 2013. The 2028 Notes bear interest at a rate of 4.800% per year, payable annually in arrears on November 20 of each year, commencing November 20, 2014. The 2028 Notes mature on November 20, 2028. As of December 31, 2023, £550,000,000 aggregate principal amount of the 2028 Notes was outstanding.

The 2034 Notes

Welltower OP issued £500,000,000 aggregate principal amount of the 2034 Notes on November 25, 2014. The 2034 Notes bear interest at a rate of 4.500% per year, payable annually in arrears on December 1 of each year, commencing December 1, 2015. The 2034 Notes mature on December 1, 2034. As of December 31, 2023, £500,000,000 aggregate principal amount of the 2034 Notes was outstanding.

General

Each of the notes were issued as a separate series under the Indenture, which provides that each series of notes may be re-opened and the Issuer may from time to time issue additional notes of the same series. The notes were issued in fully registered form without coupons, in minimum denominations of £100,000 and integral multiples of £1,000. The notes are evidenced by a global note in book-entry form, except under the limited circumstances described under "Book-Entry Delivery and Settlement" below.

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture and the paying agent for the notes is The Bank of New York Mellon, London Branch (the "Paying Agent").

If an interest payment date or the maturity date falls on a day that is not a business day, the related payment of principal or interest will be made on the next business day as if made on the date the payment was due and no interest will accrue on the amount payable for the period from and after that interest payment date or the maturity date. Interest on the notes is computed on the basis of an ACTUAL/ACTUAL (ICMA) (as defined in the rulebook of the International Capital Market Association) day count convention. The principal of each note payable at maturity or earlier redemption will be paid against presentation and surrender of the notes at the office or agency maintained for such purpose in London, initially the corporate trust office of the Paying Agent, located at One Canada Square, London E14 3AL, United Kingdom, in Sterling or, in the event the notes are redenominated into Euro, Euro.

For purposes of the notes, "business day" means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in the City of New York or London are authorized or required by law, regulation or executive order to close and, (2) in the event that any payment by us of the principal of, and premium, if any, and interest on, the notes is to be made in Euro, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

The notes are senior unsecured obligations of the Issuer and rank equally with each other and with all of the Issuer's other unsecured senior indebtedness outstanding from time to time. The notes are fully and unconditionally guaranteed by the Company. Such guarantees of the notes are the Company's senior unsecured obligation. The notes are not guaranteed by Welltower OP's subsidiaries. The notes are effectively subordinated to the Issuer's secured indebtedness to the extent of the assets securing such indebtedness and to all liabilities of the Issuer's subsidiaries. The Issuer's subsidiaries are separate legal entities and have no obligation to pay any amounts due pursuant to the notes.

Issuance in Sterling

Initial holders were required to pay for the notes in Sterling, and principal, premium, if any, and interest payments in respect of the notes are payable in Sterling or, if the United Kingdom adopts Euro as its lawful currency, in Euro.

If Sterling or, in the event the notes are redenominated into Euro, Euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or, in the event the notes are redenominated into Euro, the Euro is no longer used by the member states of the European Monetary Union that have adopted the Euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until Sterling or Euro, as the case may be, is again available to us or so used. In such case, the amount payable on any date in Sterling or, in the event the notes are redenominated into Euro, Euro will be converted into U.S. dollars on the basis of the market exchange rate (as defined below) as determined by us in our sole discretion. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the Indenture. Neither the Trustee nor the Paying Agent shall be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenominations.

The "market exchange rate" means the noon buying rate in The City of New York for cable transfers of Sterling or Euro, as the case may be, as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York.

Certain Covenants

Except as permitted and described below under "Merger, Consolidation or Sale of Assets," the Issuer has agreed to do all things necessary to preserve and keep its existence, rights and franchises, provided that it is in its best interests for the conduct of business.

To the extent permitted by law, we have agreed to file all annual, quarterly and other reports and financial statements with the Securities and Exchange Commission ("SEC") and the trustee on or before the applicable SEC filing dates whether or not we remain required to do so under the Exchange Act.

The notes are not secured by a mortgage, pledge or other lien. The Issuer covenants in the Supplemental Indentures not to pledge or otherwise subject to any Lien, any of its property or assets or those of its subsidiaries unless the notes are secured by such pledge or Lien equally and ratably with all other obligations secured thereby so long as such other obligations shall be so secured; provided, however, that such covenant does not apply to Liens securing obligations which do not in the aggregate at any one time outstanding exceed 40% of the sum of (i) the Total Assets (as defined below) of the Issuer and its consolidated subsidiaries as of the end of the calendar year or quarter covered in our most recently filed Form 10-K or Form 10-Q, as the case may be, prior to the incurrence of such additional Liens, and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Indebtedness), by the Issuer or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Liens. In addition, this covenant does not apply to:

- (a) Pledges or deposits by the Issuer or its subsidiaries under workers' compensation laws, unemployment insurance laws, social security laws, or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness of the Issuer or its subsidiaries), or leases to which the Issuer or any of its subsidiaries is a party, or deposits to secure public or statutory obligations of the Issuer or its subsidiaries or deposits of cash or United States Government Bonds to secure surety, appeal, performance or other similar bonds to which the Issuer or any of its subsidiaries is a party, or deposits as security for contested taxes or import duties or for the payment of rent;

- (b) Liens imposed by law, such as carriers', warehousemen's, materialmen's and mechanics' liens, or Liens arising out of judgments or awards against the Issuer or any of its subsidiaries which the Issuer or such subsidiary at the time shall be currently prosecuting an appeal or proceeding for review;
- (c) Liens for taxes not yet subject to penalties for non-payment and Liens for taxes the payment of which is being contested in good faith and by appropriate proceedings;
- (d) Minor survey exceptions, minor encumbrances, easements or reservations of, or rights of, others for rights of way, highways and railroad crossings, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties;
- (e) Liens incidental to the conduct of the business of the Issuer or any of its subsidiaries or to the ownership of its or their respective properties that were not incurred in connection with the Issuer's or such subsidiary's Indebtedness of, all of which Liens referred to in this clause (e) do not in the aggregate materially impair the value of the properties to which they relate or materially impair their use in the operation of the business taken as a whole of the Issuer and its subsidiaries, and as to all of the foregoing referenced in clauses (a) through (e), only to the extent arising and continuing in the ordinary course of business;
- (f) Purchase money Liens on property acquired or held by the Issuer or its subsidiaries in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of such property; provided, that (i) any such Lien attaches concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the property so acquired in such transaction, (iii) the principal amount of the Indebtedness secured thereby does not exceed 100% of the cost of such property, and (iv) the aggregate amount of all such Indebtedness on a consolidated basis for the Issuer and its subsidiaries shall not at any time exceed \$1,000,000;
- (g) Liens existing on the Issuer's balance sheet as of December 31, 2001; and
- (h) Any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (a) through (g) inclusive; provided, however, that the amount of any and all obligations and Indebtedness secured thereby shall not exceed the amount thereof so secured immediately prior to the time of such extension, renewal or replacement and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property).

The Issuer also covenants in the Supplemental Indentures that it will not create, assume, incur, or otherwise become liable in respect of, any Indebtedness if the aggregate outstanding principal amount of Indebtedness of the Issuer and its consolidated subsidiaries is, at the time of such creation, assumption or incurrence and after giving effect thereto and to any concurrent transactions, greater than 60% of the sum of (i) the Total Assets of the Issuer and its consolidated subsidiaries as of the end of the calendar year or quarter covered in our most recently filed Form 10-K or Form 10-Q, as the case may be, prior to the incurrence of such additional Indebtedness and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Indebtedness), by the Issuer or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Indebtedness.

The Issuer also covenants in the Supplemental Indentures that it will have or maintain, on a consolidated basis, as of the last day of each fiscal quarter, Interest Coverage (as defined below) of not less than 150%.

Finally, the Issuer covenants in the Supplemental Indentures that it will maintain, at all times, Total Unencumbered Assets (as defined below) of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt (as defined below) of the Issuer and its subsidiaries on a consolidated basis.

For purposes of the foregoing covenants, the defined terms have the following meanings:

“*Capital Lease*”—means at any time any lease of property, real or personal, which, in accordance with GAAP (as defined below), would at such time be required to be capitalized on a balance sheet of the lessee.

“*Capitalized Lease Obligations*”—means as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property which obligations are required to be classified and accounted for as a Capital Lease on a balance sheet of such Person under GAAP.

“*Cash*”—means as to any Person, such Person’s cash and cash equivalents, as defined in accordance with GAAP consistently applied.

“*EBITDA*”—means for any period, with respect to the Issuer and its subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of net income (or net loss) for such period plus, the sum of all amounts treated as expenses for: (a) interest, (b) depreciation, (c) amortization, and (d) all accrued taxes on or measured by income to the extent included in the determination of such net income (or net loss); provided, however, that net income (or net loss) shall be computed without giving effect to extraordinary losses or gains.

“*Funded Indebtedness*”—means as of any date of determination thereof, (a) all Indebtedness of any Person, determined in accordance with GAAP, which by its terms matures more than one year after the date of calculation, and any such Indebtedness maturing within one year from such date which is renewable or extendable at the option of the obligor to a date more than one year from such date, and (b) the current portion of all such Indebtedness.

“*GAAP*”—means generally accepted accounting principles of the United States.

“*Indebtedness*”—means with respect to any Person, all: (a) liabilities or obligations, direct and contingent, which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person at the date as of which Indebtedness is to be determined, including, without limitation, contingent liabilities that in accordance with such principles, would be set forth in a specific dollar amount on the liability side of such balance sheet, and Capitalized Lease Obligations of such Person; (b) liabilities or obligations of others for which such Person is directly or indirectly liable, by way of guaranty (whether by direct guaranty, suretyship, discount, endorsement, take-or-pay agreement, agreement to purchase or advance or keep in funds or other agreement having the effect of a guaranty) or otherwise; (c) liabilities or obligations secured by Liens on any assets of such Person, whether or not such liabilities or obligations shall have been assumed by it; and (d) liabilities or obligations of such Person, direct or contingent, with respect to letters of credit issued for the account of such Person and bankers acceptances created for such Person.

“*Interest Coverage*”—means as of the last day of any fiscal quarter, the quotient, expressed as a percentage (which may be in excess of 100%), determined by dividing EBITDA by Interest Expense; all of the foregoing calculated by reference to the immediately preceding four fiscal quarters ending on such date of determination.

“*Interest Expense*”—means for any period, on a combined basis, the sum of all interest paid or payable (excluding unamortized debt issuance costs) on all items of Indebtedness outstanding at any time during such period.

“*Lien*”—means any mortgage, deed of trust, pledge, security interest, encumbrance, lien, claim or charge of any kind (including any agreement to give any of the foregoing), any conditional sale or other title retention agreement, any lease in the nature of any of the foregoing, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction.

“*Person*”—means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, or government or any political subdivision thereof.

“*Total Assets*”—means on any date, consolidated total assets of the Issuer and its subsidiaries, as such amount would appear on the Issuer’s consolidated balance sheet prepared as of such date in accordance with GAAP.

“*Total Unencumbered Assets*”—means on any date, net real estate investments (valued on a book basis) of the Issuer and its subsidiaries that are not subject to any Lien which secures indebtedness for borrowed money by the Issuer and its subsidiaries plus, without duplication, loan loss reserves relating thereto, accumulated depreciation thereon plus Cash, as all such amounts would appear on the Issuer’s consolidated balance sheet prepared as of such date in accordance with GAAP; provided, however, that “Total Unencumbered Assets” does not include net real estate investments under unconsolidated joint ventures of the Issuer and of its subsidiaries.

“*Unsecured Debt*”—means Funded Indebtedness less Indebtedness secured by Liens on the property or assets of the Issuer and its subsidiaries.

Discharge, Defeasance and Covenant Defeasance

Discharge. We may discharge some obligations to holders of any series of debt securities that either have become due and payable or will become due and payable within one year, or scheduled for redemption within one year, by irrevocably depositing with the trustee, in trust, funds in the applicable currency in an amount sufficient to pay the debt securities, including any premium and interest.

Defeasance and Covenant Defeasance. We, at our option (a), will be discharged from any and all obligations in respect of the notes (except for certain obligations to issue definitive notes in exchange for temporary notes, to register the transfer or exchange of the notes, to replace destroyed, stolen, lost or mutilated notes, and to maintain an office or agency in respect of the notes and hold moneys for payment in trust) or (b) will be released from our obligations to comply with certain of the covenants provided for in the Indenture, including but not limited to those that are specified under “Certain Covenants” above with respect to the notes, and the occurrence of an event of default with respect to any such covenants and including those events of default described below under “Events of Default” shall no longer be an event of default if, in either case, the Issuer irrevocably deposits with the Trustee, in trust, money or United Kingdom government obligations that through payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all of the principal of (and premium, if any) and any interest on the notes on the dates such payments are due (which may include one or more redemption dates designated by us) in accordance with the terms of such notes.

Such a trust may only be established if, among other things, (a) no event of default or event which with the giving of notice or lapse of time, or both, would become an event of default under the Indenture shall have occurred and be continuing on the date of such deposit, and (b) the Issuer shall have delivered an opinion of counsel to the effect that the holders of the notes of such series will not recognize gain or loss for United States federal income tax purposes as a result of such deposit or defeasance and will be subject to United States federal income tax in the same manner as if such defeasance had not occurred. In the event we omit to comply with our remaining obligations under the Indenture after a defeasance of the Indenture with respect to the notes and the notes are declared due and payable because of the occurrence of any undefeased event of default, the amount of money and United Kingdom government obligations on deposit with the Trustee may be insufficient to pay amounts due on the notes at the time of the acceleration resulting from such event of default. However, we will remain liable in respect of such payments.

Sinking Fund

The notes are not entitled to any sinking fund payments.

Optional Redemption

The notes may be redeemed at the Issuer’s option, at any time in whole or from time to time in part, at a redemption price, as determined by the Issuer, equal to the sum of (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon to but excluding the redemption date and (ii) the Make-Whole Amount, if any; provided, however, that if the Issuer redeems the notes 90 or fewer days prior to the maturity date, the redemption price will equal 100% of the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon to but excluding the redemption date.

If notice has been given as provided in the Indenture and funds for the redemption of any notes (or any portion of the notes) called for redemption shall have been made available on the redemption date referred to in such notice, such notes (or any portion of the notes) will cease to bear interest on the redemption date specified in such notice and the only right of the holders of the notes will be to receive payment of the redemption price.

Notice of any optional redemption of any notes (or any portion of the notes) will be transmitted to holders as shown in the security register for such notes, not more than 60 nor less than 30 days prior to the redemption date in the case of the 2028 Notes and not more than 30 nor less than 15 days prior to the redemption date in the case of the 2034 Notes. The notice of redemption will specify, among other items, the redemption price and the principal amount of the notes held by such holder to be redeemed.

The Issuer will notify the Trustee at least 60 business days prior to giving notice of redemption (or such shorter period as is satisfactory to the Trustee) in the case of the 2028 Notes and 5 business days prior to giving notice of redemption (or such shorter period as is satisfactory to the Trustee) in the case of the 2034 Notes of the aggregate principal amount of such notes to be redeemed and their redemption date. If less than all of the notes are to be redeemed at the Issuer's option, the Trustee shall select, in such manner as it shall deem fair and appropriate, the notes to be redeemed in whole or in part and in accordance with the procedures of the applicable depository.

As used herein:

"Comparable Government Bond Rate"—means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption or the date of accelerated payment, would be equal to the gross redemption yield on such business day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by the Issuer.

"Comparable Government Bond"—means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by the Issuer, a United Kingdom government bond whose maturity is closest to the maturity of the notes, or if such independent investment bank in its discretion considers that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by such independent investment bank, determine to be appropriate for determining the Comparable Government Bond Rate.

"Make-Whole Amount"—means, in connection with any optional redemption or accelerated payment of any notes, the excess, if any, of (i) the aggregate present value, as of the date of such redemption or accelerated payment of each pound Sterling of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of each such pound Sterling if such redemption or accelerated payment had not been made, determined by discounting, on an annual basis (ACTUAL/ACTUAL (ICMA) (as defined in the rulebook of the International Capital Market Association)), such principal and interest at the Reinvestment Rate (as defined below) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment had not been made, to the date of redemption or accelerated payment, over (ii) the aggregate principal amount of the notes being redeemed or paid.

"Reinvestment Rate"—means the Comparable Government Bond Rate plus 0.30%.

The notes are also subject to redemption prior to maturity if certain events occur involving United States taxation. If any of these special tax events do occur, the notes may be redeemed at a redemption price of 100% of their principal amount plus accrued and unpaid interest to, but not including, the redemption date. See "Redemption for Tax Reasons."

Payment of Additional Amounts

All payments in respect of the notes will be made by or on behalf of us without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by the United States or any taxing authority thereof or therein, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, we will pay to a holder who is not a United States person (as defined below) such additional amounts on the notes as are necessary in order that the net payment by us or a paying agent of the principal of, and Make-Whole Amount, if any, and interest on, the notes to such holder, after such withholding or deduction will not be less than the amount provided in the notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

- (1) to any tax, assessment or other governmental charge that would not have been imposed but for the holder, or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:
 - (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States or having or having had a qualified business unit which has the U.S. dollar as its functional currency;
 - (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the notes, the receipt of any payment or the enforcement of any rights thereunder) or being considered as having such relationship, including being or having been a citizen or resident of the United States;
 - (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or a foreign personal holding company that has accumulated earnings to avoid United States federal income tax;
 - (d) being or having been a "10-percent shareholder" of the Company as defined in section 871(h)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision; or
 - (e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (2) to any holder that is not the sole beneficial owner of the notes, or a portion of the notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (3) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
- (4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;
- (5) to any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
- (7) to any withholding or deduction that is imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings;
- (8) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any Note, if such payment can be made without such withholding by at least one other paying agent;

- (9) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (10) to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code and related Treasury regulations and pronouncements (the Foreign Account Tax Compliance Act) or any successor provisions and any regulations or official law, agreement or interpretations thereof or any regulations implementing an intergovernmental approach thereto; or
- (11) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10).

The notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the notes. Except as specifically provided under this heading "Payment of Additional Amounts," we will not be required to make any payment for any tax, duty, assessment or governmental charge of whatever nature imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading "Payment of Additional Amounts" and under the heading "Redemption for Tax Reasons," the term "United States" means the United States of America (including the states and the District of Columbia and any political subdivision thereof), and the term "United States person" means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, including an entity treated as a corporation for United States income tax purposes, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority thereof or therein), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, we become or, based upon a written opinion of independent counsel selected by the Issuer, will become obligated to pay additional amounts as described herein under the heading "Payment of Additional Amounts" with respect to the notes, then the Issuer may at any time at its option redeem, in whole, but not in part, the notes on not less than 30 nor more than 60 days' prior notice to the holders of the notes, at a redemption price equal to 100% of the principal amount of the notes being redeemed, together with accrued and unpaid interest on the notes to, but not including, the redemption date.

Book-Entry Delivery and Settlement

The notes are represented by one or more fully registered global notes. Each such global note was deposited with, or on behalf of, a common depositary for, and in respect of interests held through, Euroclear and Clearstream. Except as described herein, certificates will not be issued in exchange for beneficial interests in the global notes. Except as set forth below, the global notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees. Beneficial interests in the global notes will be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Investors may hold their interests in the global notes through Clearstream or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Book-entry interests in the notes and all transfers relating to the notes will be reflected in the book-entry records of Clearstream and Euroclear. Those beneficial interests will be in denominations of £100,000 and integral multiples of £1,000 in excess thereof.

Except as provided below, owners of beneficial interests in the global notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the Indenture, including for purposes of receiving any reports delivered by us or the Trustee pursuant to the Indenture. Accordingly, each person owning a beneficial interest in a note must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest,

in order to exercise any rights of a holder of notes. So long as the common depository for Euroclear and Clearstream is the registered owner of the global notes, the common depository for all purposes will be considered the sole holder of the notes represented by the global notes under the Indenture and the global notes.

Exchange of Global Notes for Certificated Notes

Subject to certain conditions, the notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor in minimum denominations of £100,000 principal amount and multiples of £1,000 in excess thereof if:

- (1) the common depository notifies us that it is unwilling, unable or no longer qualified to continue as depository for the global notes and the Issuer fails to appoint a successor depository within 90 calendar days;
- (2) the Issuer, at its option, notify the Trustee in writing that the Issuer elects to cause the issuance of certificated notes; or
- (3) there has occurred and is continuing an event of default with respect to the notes.

Any note that is exchangeable as above is exchangeable for certificated notes issuable in authorized denominations and registered in such names as the common depository shall direct (in accordance with its customary procedures). Subject to the foregoing, a global note is not exchangeable, except for a global note of the same aggregate denomination to be registered in the name of the common depository (or its nominee).

Events of Default

Each of the following events is defined in the Base Indenture as an “event of default” for any series of debt securities:

- We do not pay the principal or any premium on a debt security of that series within 30 days after its maturity date.
- We do not pay interest on a debt security of that series within 30 days after its due date.
- We do not deposit any sinking fund payment for that series within 30 days after its due date.
- We remain in breach of any other term of the applicable indenture (other than a term added to the indenture solely for the benefit of another series) for 60 days after we receive a written notice of default from the trustee or holders of at least a majority in principal amount of debt securities of the affected series specifying the breach and requiring it to be remedied.
- We default under any of our other indebtedness in specified amounts after the expiration of any applicable grace period, which default results in the acceleration of the maturity of such indebtedness. Such default is not an event of default if the other indebtedness is discharged, or the acceleration is rescinded or annulled, within a period of 10 days after we receive a written notice from the trustee or holders of at least a majority in principal amount of debt securities of the affected series specifying the default and requiring that we discharge the other indebtedness or cause the acceleration to be rescinded or annulled.
- We or one of our “significant subsidiaries,” if any, files for bankruptcy or certain other events in bankruptcy, insolvency or reorganization occur. The term “significant subsidiary” means each of our significant subsidiaries, if any, as defined in Regulation S-X under the Securities Act of 1933, as amended.
- Any other event of default described in the applicable prospectus supplement occurs.

In addition to the events of default in the Base Indenture, the following constitute events of default under the Supplemental Indentures:

- We do not pay the principal or any premium on the notes at their maturity date.
- We default under any of our other indebtedness in an aggregate principal amount exceeding \$10,000,000 after the expiration of any applicable grace period, which default results in the acceleration of the maturity of such indebtedness. Such default is not an event of default if the other indebtedness is discharged, or the acceleration is rescinded or annulled, within a period of 10 days after we receive notice specifying the default and requiring that we discharge the other indebtedness or cause the acceleration to be rescinded or annulled. Either the Trustee or the holders of more than 50% in principal amount of the outstanding notes may send the notice.
- The entry by a court of competent jurisdiction of one or more judgments, orders or decrees against us or any of our subsidiaries in an aggregate amount (excluding amounts fully covered by insurance) in excess of \$10,000,000 and such judgments, orders or decrees remain undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts fully covered by insurance) in excess of \$10,000,000 for a period of 30 consecutive days.

If an event of default has occurred and has not been cured, the trustee or the holders of at least a majority in principal amount of the debt securities of the affected series may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. If an event of default occurs because of certain events in bankruptcy, insolvency or reorganization, the principal amount of all the debt securities of that series will be automatically accelerated, without any action by the trustee or any holder. At any time after the trustee or the holders have accelerated any series of debt securities, but before a judgment or decree for payment of the money due has been obtained, the holders of at least a majority in principal amount of the debt securities of the affected series may, under certain circumstances, rescind and annul such acceleration.

The trustee will be required to give notice to the holders of debt securities within 90 days after a default under the applicable indenture unless the default has been cured or waived. The trustee may withhold notice to the holders of any series of debt securities of any default with respect to that series, except a default in the payment of the principal of or interest on any debt security of that series, if specified responsible officers of the trustee in good faith determine that withholding the notice is in the interest of the holders.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the applicable indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. We refer to this as an "indemnity." If reasonable indemnity satisfactory to it is provided, the holders of a majority in principal amount of the outstanding securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the applicable indenture, subject to certain limitations.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- you must give the trustee written notice that an event of default has occurred and remains uncured;
- the holders of at least a majority in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action; and
- the trustee must have not taken action for 60 days after receipt of the notice and offer of indemnity.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your security after its due date.

Every year we will furnish to the trustee a written statement by certain of our officers certifying that to their knowledge we are in compliance with the applicable indenture, or else specifying any default.

Merger, Consolidation or Sale of Assets

Under the Indenture, we are permitted to consolidate or merge with another company. In addition, we are permitted to sell substantially all of our assets to another company, or to buy substantially all of the assets of another company. However, we may not take any of these actions unless the following conditions are met:

- if we merge out of existence or sell our assets, the other company must be an entity organized under the laws of one of the states of the United States or the District of Columbia or under United States federal law and must agree to be legally responsible for our debt securities; and
- immediately after the merger, sale of assets or other transaction, we may not be in default on the debt securities. A default for this purpose would include any event that would be an event of default if the requirements regarding notice of default or continuing default for a specific period of time were disregarded.

Modification of an Indenture

There are three types of changes we can make to the Indenture and the debt securities:

Changes Requiring Your Approval. First, there are changes we cannot make to your debt securities without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal or interest on a debt security;
- reduce any amounts due on a debt security;
- reduce the amount of principal payable upon acceleration of the maturity of a debt security following a default;
- change the currency of payment on a debt security;
- impair your right to sue for payment;
- modify the subordination provisions, if any, in a manner that is adverse to you;
- reduce the percentage of holders of debt securities whose consent is needed to modify or amend an indenture or to waive compliance with certain provisions of an indenture;
- reduce the percentage of holders of debt securities whose consent is needed to waive past defaults or change certain provisions of the indenture relating to waivers of default; or
- waive a default or event of default in the payment of principal, interest, or premium, if any, on the debt securities.

Changes Requiring a Majority Vote. The second type of change is the kind that requires the vote of holders of debt securities owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except for clarifying changes and certain other changes that would not materially adversely affect holders of the debt securities. We require the same vote to obtain a waiver of a past default; however, we cannot obtain a waiver of a payment default or any other aspect of an indenture or the debt securities listed in the first category described above under “Changes Requiring Your Approval” unless we obtain your individual consent to the waiver.

Changes Not Requiring Approval. The third type of change does not require any vote by holders of debt securities. This type is limited to clarifications and certain other changes that would not materially adversely affect holders of the debt securities.

Further Details Concerning Voting. Debt securities are not considered outstanding, and therefore the holders of debt securities are not eligible to vote on matters relating thereto, if we have deposited or set aside in trust for such holders money for payment or redemption of debt securities or if we or one of our affiliates own the debt securities. The holders of debt securities are also not eligible to vote if the debt securities have been fully defeased.

Welltower Inc.
Non-Employee Director Compensation

Effective January 1, 2024

For each calendar year, each non-employee member of the Board of Directors of Welltower Inc. (the "Company") will receive an annual retainer of \$100,000, payable in equal quarterly installments. If there is a non-employee director serving as the Chair of the Board, such individual will receive an additional retainer of \$250,000. Each non-employee member of the Executive Committee will receive an additional retainer of \$7,500. Additionally, the chairs of the Audit Committee, the Compensation Committee, the Nominating/Corporate Governance Committee and the Investment Committee will receive committee chair retainers of \$35,000, \$30,000, \$25,000 and \$30,000, respectively. The members of the Audit Committee, the Compensation Committee, the Nominating/Corporate Governance Committee and the Investment Committee who are not the chairs of those committees will receive committee retainers of \$17,500, \$15,000, \$12,500 and \$15,000, respectively. Meeting fees of \$1,500 per meeting will be paid to attending non-employee members of the Board for Board meetings in excess of eight meetings in a calendar year. Also, meeting fees of \$1,000 per meeting will be paid to attending non-employee members of a committee for committee meetings in excess of eight meetings in a calendar year.

Each of the non-employee directors will receive, in each calendar year, a grant of deferred stock units with a value of \$200,000, pursuant to the Company's 2022 Long-Term Incentive Plan. The deferred stock units will be convertible into shares of common stock of the Company on the anniversary of the date of the grant. Recipients of the deferred stock units also will be entitled to dividend equivalent rights, which may be paid in additional shares of the Company's common stock if a director elects. Directors shall have the right to defer receipt of any deferred stock units until after the time of vesting, but no later than 11 years after the vesting date.

Any cash compensation may be deferred into the Nonqualified Deferred Compensation Plan or may be taken in the form of a deferred stock unit grant and combined with the annual deferred stock unit of \$200,000. Any stock compensation may be taken in the form of deferred stock units or profits interests in the Company's operating subsidiary, which is a limited liability company.

WELLTOWER INC. 2022 LONG-TERM INCENTIVE PLAN
 RESTRICTED STOCK UNIT GRANT AGREEMENT (TIME-BASED)

GRANT NOTICE

1. **Grant of Restricted Stock Units.** Welltower Inc., a Delaware corporation (the “Corporation”), hereby grants (the “Grant”) to #ParticipantName# (the “Participant”) a total of #GrantCustom1# restricted stock units with respect to shares of the Corporation’s common stock, \$1.00 par value per share (the “Restricted Stock Units”), as of #GrantDate# (the “Date of Grant”).

2. **Vesting; When Restricted Stock Units Vest.** The Restricted Stock Units (or “RSUs”) shall vest as follows:

<u>DATE</u>	<u>NUMBER OF UNITS THAT BECOME VESTED</u>
01/15/2025 (“Initial Vesting Date”)	#GrantCustom2# units
01/15/2026	#GrantCustom3# units
01/15/2027	#GrantCustom4# units
01/15/2028	#GrantCustom5# units

in annual installments on the subsequent anniversaries of such Initial Vesting Date, or at such earlier time pursuant to Section 5 of the Terms and Conditions (as defined below). With respect to RSUs described in (a) or (b) above, in the absence of any accelerated vesting under Section 5 of the Terms and Conditions, the following numbers of units shall vest on the following dates:

3. **Incorporation by Reference.** The Corporation and the Participant acknowledge and agree that this Grant Notice shall incorporate by reference all terms and conditions set forth in the following attached Restricted Stock Unit Terms and Conditions (the “Terms and Conditions”).

4. **Acknowledgement and Agreement.** The Participant shall acknowledge and agree to the terms and conditions of this Grant Notice and the Terms and Conditions by e-signature, email or other form of electronic confirmation. The Participant’s failure to complete such acknowledgement and agreement shall not affect the Date of Grant but may affect the Participant’s ability to receive shares of the Corporation’s common stock.

5. **IN WITNESS WHEREOF**, the parties have executed this Agreement on the date and year first above written.

PARTICIPANT WELLTOWER INC.

By: #Signature# By://Matthew G. McQueen

Name: #ParticipantName# Name: Matthew G. McQueen

Title: EVP, General Counsel & Corporate Secretary

**RESTRICTED STOCK UNIT
TERMS AND CONDITIONS**

These Restricted Stock Unit Terms and Conditions (the “**Terms and Conditions**”) shall apply to each grant of Restricted Stock Units (as defined in the attached Grant Notice) by Welltower Inc., a Delaware corporation (the “**Corporation**”), to the Participant (as defined in the Grant Notice).

RECITALS:

- A. The Participant is an employee of the Corporation.
- B. The Corporation adopted the Welltower Inc. 2022 Long-Term Incentive Plan (the “**Plan**”) in order to provide select officers and key employees with incentives to achieve long-term corporate objectives. Capitalized terms used without definitions in these Terms and Conditions or in the Grant Notice shall have the meaning given to those terms in the Plan.
- C. The Compensation Committee of the Corporation’s Board of Directors (the “**Committee**”) has decided that the Participant should be granted Restricted Stock Units subject to time-based vesting conditions, on the terms and conditions set forth in the Grant Notice and these Terms and Conditions and in accordance with the terms of the Plan.
- D. The Restricted Stock Units granted to the Participant shall be payable in shares of the Corporation’s common stock, \$1.00 par value per share (“**Common Stock**”), upon the satisfaction of the conditions set forth below and in accordance with the terms of the Plan.
- E. The grant of the Restricted Stock Units has been made by the Corporation in consideration of the past and future services provided by the Participant to the Corporation and the various covenants and agreements contained in the Grant Notice and these Terms and Conditions.
 - 1. **Grant of Restricted Stock Units.** The Corporation has granted to the Participant the Restricted Stock Units, subject to the transfer restrictions, vesting schedule and other conditions set forth in the Grant Notice, these Terms and Conditions and the Plan. Upon vesting, the Restricted Stock Units shall become issuable in shares of Common Stock. The Participant shall not be required to provide the Corporation with any payment (other than the Participant’s past and future services to the Corporation) in exchange for such Restricted Stock Units or in exchange for the issuance of shares of Common Stock upon the vesting and settlement of such Restricted Stock Units.
 - 2. **Vesting; When Restrictions Lapse.** Section 2 of the Grant Notice contains the schedule for vesting and lapse of restrictions with respect to the Restricted Stock Units.
 - 3. **Restrictions on Delivery of Shares of Common Stock**
 - (a) The Participant shall not be entitled to the issuance of shares of Common Stock until such Restricted Stock Units have become vested. Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant. The Corporation shall pay in cash to the Participant an amount equal to the dividends and other distributions paid on a Share (multiplied by the number of Restricted Stock Units then outstanding under this Grant) for which the record date occurred on or after the date that such Restricted Stock Units were granted and prior to the date on which shares of Common Stock are issued to the Participant (excluding dividends and distributions paid in the form of additional Shares).
 - (b) The Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under the Grant Notice and these Terms and Conditions may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture or as otherwise permitted by the Plan or the Committee or its duly authorized delegate. Any attempt to dispose of the Participant’s Restricted Stock Units or shares of Common Stock issued thereunder in a manner contrary to the restrictions set forth in the Grant Notice and these Terms and Conditions and the Plan, except as authorized by the Committee or its duly authorized delegate, shall be ineffective, null and void.

(c) As a condition of receiving the Grant, whether or not the Participant receives any payment or other benefit under the Grant, the Participant shall comply with the following restrictive covenants.

(i) Protection of Confidential Information. Participant, both during employment with the Corporation and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Corporation while employed by the Corporation. Upon Participant's termination of employment, Participant shall return to the Corporation all Confidential Information and shall not retain any Confidential Information in Participant's possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 3(c)(i) shall not apply to Confidential Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 3(c) or any other duty owed to the Corporation by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Grant, "Confidential Information" means, without limitation, any nonpublic confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Corporation, in any form, including electronic media. Confidential Information also includes, but is not limited to, the Corporation's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Corporation.

(ii) Non-Competition.

- (i) In the course of the performance of Participant's job responsibilities for the Corporation, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Corporation's business (including confidential information relating to the Corporation and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and development plans and prospects). Accordingly, during employment with the Corporation and for the applicable Restricted Period (as defined below) following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Corporation or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities (as defined below); (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.
- (ii) As used in this Grant, "Restricted Period" means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.
- (iii) As used in this Grant, "Health Care Facilities" means any senior housing facilities or facilities used or intended primarily for the delivery of health care services, including, without limitation, any active adult communities, independent living facilities, assisted living facilities, skilled nursing facilities, inpatient rehabilitation facilities, ambulatory

surgery centers, outpatient medical treatment facilities, medical office buildings, hospitals not excluded below, or any similar types of facilities or enterprises, but in any event excluding acute care hospitals or integrated health care delivery systems that include acute care hospitals.

- (iv) Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Corporation or any of its affiliates in any area described above and other activities that do not compete with the Corporation or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Corporation and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 3(c)(ii).

(iii) Non-Solicitation. During employment with the Corporation and for one year following the end of Participant's employment with the Corporation, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Corporation or any subsidiary or affiliate of the Corporation.

(iv) Non-Disparagement. At all times during and following Participant's employment with the Corporation, Participant will not make, or direct anyone else to make on Participant's behalf, any disparaging or untruthful remarks or statements, whether oral or written, about the Corporation, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Corporation. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Corporation, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(v) Remedies. For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Corporation may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, a Grant (including any vested portion of the Grant) and shares of Common Stock issued under this Grant to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 3(c) herein. Notwithstanding any other provision of this Grant, by becoming entitled to receive any payments or other benefits under this Grant, Participant is deemed to have agreed that damages would be an inadequate remedy for the Corporation in the event of a breach or threatened breach by Participant of any of Sections 3(c)(i) through 3(c)(iv), inclusive. In the event of any such breach or threatened breach, and without relinquishing any other rights or remedies that the Corporation may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Grant, the Corporation may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 3(c) and requiring Participant to comply with its provisions. The Corporation may present this Section 3(c) to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Corporation contends violates this Section 3(c), if the Corporation has reason to believe Participant has or may have breached a provision of this Section 3(c).

4. Issuance of Shares of Common Stock.

(a) As soon as practicable after any of the Restricted Stock Units vest, such Restricted Stock Units shall be settled in shares of Common Stock. The date on which such settlement of any Restricted Stock Units occurs shall be referred to herein as the "Issuance Date". In no event shall the Issuance Date with respect to any vested Restricted Stock Units be later than 74 days after the applicable vesting date or on such later date as provided by the Committee; provided that, in the case of a determination required by Section 6 in connection with the end of the Participant's employment, the Issuance Date shall generally be no later than 74 days after the date of the Participant's termination of employment or on such later date as provided by the Committee.

(b) Except as otherwise provided in Section 7, the Corporation shall issue to the Participant (or the Participant's estate or beneficiary, if applicable) a number of shares of Common Stock equal to the vested portion of the Restricted Stock Units on the Issuance Date. In addition, on the Issuance Date, the Corporation shall pay in cash to the Participant (or the Participant's estate or beneficiary, if applicable) an amount equal to the Dividend Value (if any) multiplied by the number of shares of Common Stock issued pursuant to this Section 4(b) or Section 6 on such date. For purposes hereof, "Dividend Value" shall mean the aggregate amount of unpaid dividends and other distributions paid on one share of Common Stock for which the record date occurred on or after the Date of Grant set forth in the Grant Notice and prior to the date on which shares of Common Stock are issued to the Participant (excluding dividends and distributions paid in the form of additional Shares of Common Stock).

5. Tax Withholding. The Corporation shall have the authority to, and will, cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of shares of Common Stock to be issued to the Participant with an aggregate Fair Market Value that will satisfy the withholding amount due. The Corporation's obligation to deliver stock certificates (or evidence of book entry) to the Participant is subject to and conditioned on tax withholding obligations being satisfied by the Participant or through the Corporation's exercise of its withholding authority under these Terms and Conditions and the Plan.

6. Termination of Employment; Change in Corporate Control.

(a) (i) If while this Grant is outstanding, the Participant's employment with the Corporation is involuntarily terminated for "Cause", or if the Participant voluntarily terminates his or her employment with the Corporation (other than after a Change in Corporate Control (as described in subsection (e) below) occurring after the Date of Grant or as provided in subsections (c) or (d) below), any portion of the Restricted Stock Units that has not yet been settled in shares of Common Stock (whether or not then vested) shall be forfeited.

(ii) "Cause" for termination of the Participant's employment for purposes of Section 6 means (a) if the Participant is a party to an employment agreement with the Corporation immediately prior to such termination, and "Cause" is defined therein, then "Cause" shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Corporation immediately prior to such termination or the Participant's employment agreement does not define "Cause," then "Cause" shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Corporation or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Corporation or any Subsidiary, including but not limited to the provisions of Section 3(c) herein; (iii) conduct by the Participant against the best interests of the Corporation or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Corporation, any Subsidiary or the employees of either the Corporation or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant's job responsibilities for the Corporation; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Corporation or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Corporation (other than any such failure resulting from Participant's incapacity due to physical or mental disability) after a demand for substantial performance is made by the Corporation; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Corporation (other than any such failure resulting from Participant's incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Corporation's policies and procedures, including but not limited to the Corporation's Code of Business Conduct & Ethics.

(b) If the Participant's employment is terminated involuntarily without Cause, including an involuntary termination without Cause as a result of the Corporation's election not to extend the term of the Participant's employment agreement, vesting shall be accelerated and no Restricted Stock Units shall be forfeited. If the event of a Change in Corporate Control, if the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace the Grant on proportionate and equitable terms, vesting shall be accelerated and no Restricted Stock Units shall be forfeited.

(c) If the termination of the Participant's employment occurs as a result of the Participant's death, vesting shall be accelerated and no Restricted Stock Units shall be forfeited.

(d) If the termination of the Participant's employment occurs after a finding of the Participant's Disability, or as a result of Retirement, vesting shall be accelerated and no Restricted Stock Units shall be forfeited.

(e) For purposes of this Section 6, if the Participant has an employment agreement, a "Change in Corporate Control" shall have the meaning set forth in the Participant's employment agreement. To the extent that there is a conflict between the definition set forth in the Participant's employment agreement and the definition set forth in the Plan, the definition of "Change in Corporate Control" set forth in the Participant's employment agreement shall control. If the Participant does not have an employment agreement, then "Change in Corporate Control" shall have the meaning set forth in the Plan.

7. **Securities Laws.** The Corporation may from time to time impose such conditions on the vesting of the Restricted Stock Units, and/or the issuance of shares of Common Stock upon vesting, as it deems necessary or advisable to ensure that any grant of the Restricted Stock Units and issuance of shares of Common Stock under these Terms and Conditions, the Grant Notice and the Plan will satisfy the applicable requirements of all applicable laws, including applicable federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur as soon as administratively reasonable following the earliest date on which it would not violate applicable law.

8. **Grant Not to Affect Employment.** None of the Grant Notice, these Terms and Conditions or the Grant of Restricted Stock Units shall confer upon the Participant any right to continued employment with the Corporation. Neither the Grant Notice nor these Terms and Conditions shall in any way modify or restrict any rights the Corporation may have to terminate such Participant's employment.

9. **Adjustments to Award.** In the event of any change or changes in the outstanding Common Stock, including by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Restricted Stock Units granted to the Participant under the Grant Notice and these Terms and Conditions shall be adjusted by the Committee pursuant to the Plan in such manner as the Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

10. **Miscellaneous.**

(a) The Grant Notice and these Terms and Conditions may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of the Grant Notice and these Terms and Conditions may be amended, modified or waived by the Corporation; provided, however, that the Participant must consent to any amendment or modification (but not waiver) that adversely affect the Participant's rights under the Grant.

(c) The provisions of the Plan are hereby made a part of the Grant Notice and these Terms and Conditions. In the event of any conflict between the provisions of the Grant Notice or these Terms and Conditions and those of the Plan, the provisions of the Plan shall control.

(d) The Restricted Stock Units granted under this Agreement are intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), under the exemption for "short-term deferrals" under Treasury Regulation Section 1.409A-1(b)(4), and shall be interpreted in a manner consistent with the requirements for such exemption. To the extent that changes are necessary to ensure that the Restricted Stock Units and any related dividend equivalent rights comply with any additional requirements for any exemption for which such Restricted Stock Units may be eligible that may be imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend Grant Notice or these Terms and Conditions so that the Restricted Stock Units and dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of the Grant Notice and these Terms and Conditions shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the Delaware General Corporation Law.

Subsidiary Name	Jurisdiction of Organization
10 Sterling Drive NJ Owner LLC	Delaware
100 Trich Drive LLC	Delaware
100 West Queen Street PA Owner LLC	Delaware
10040 Hillview Rd FL Owner LLC	Delaware
1010 Carpenters Way FL Owner LLC	Delaware
1010-1090 Old Des Peres Road LLC	Delaware
10225 Old Ardrey Kell NC PropCo, LLC	Delaware
1026 Albee Farm Rd FL Owner LLC	Delaware
10475 Wilshire Boulevard Borrower, LLC	Delaware
105 15th St E FL Owner LLC	Delaware
10600 East 13th Street North, LLC	Delaware
10605 Jog Road FL Propco LLC	Delaware
10710 Charter Drive LLC	Delaware
10800 Potomac Tennis Lane LLC	Delaware
110 Perry Cate PropCo LLC	Delaware
1111 Drury Lane FL Owner LLC	Delaware
1120 West Donegan Avenue FL Owner LLC	Delaware
11210 Robious Rd PropCo LLC	Delaware
113 South Route 73 NJ Owner LLC	Delaware
1133 Black Rock Road, LLC	Delaware
1150 Tilton Drive CA Owner LLC	Delaware
1190 Adams MA PropCo, LLC	Delaware
12170 Cortez Blvd FL Owner LLC	Delaware
1226 Rossmoor Parkway CA Owner LLC	Delaware
12475 Lee Jackson Memorial Highway VA Owner LLC	Delaware
125 Alma Boulevard FL Owner LLC	Delaware
1250 La Venta Drive Community Medical LLC	Delaware
1264 Lone Creek Drive Property Owner LLC	Delaware
129th Avenue ALF, LLC	Kansas
13075 Evening Creek Drive South, LLC	Delaware
13th Street ALF, LLC	Kansas
1445 Howell Ave FL Owner LLC	Delaware
1450 Post Street CA Opco LLC	Delaware
1450 Post Street CA Propco LLC	Delaware
1465 Oakfield Dr FL Owner LLC	Delaware
1490 Killingsworth PropCo LLC	Delaware
150 Omni Lake Landlord LLC	Ohio
150 Omni Lake Tenant LLC	Delaware
1501 SE 24th Rd FL Owner LLC	Delaware
1507 South Tuttle Avenue FL Owner LLC	Delaware
1512 12th Avenue LLC	Delaware
15204 W Colonial Drive FL Owner LLC	Delaware
1526 Lombard Street PA Owner LLC	Delaware
15430 Huebner Road Property Owner LLC	Delaware
1574 Creekside Drive Folsom, LLC	California
1600 Matthew Drive FL Owner LLC	Delaware
1640 Newport Blvd. LP	Delaware
1650 Phillips Rd FL Owner LLC	Delaware
1700 Bronson Way Tenant LLC	Delaware
1719 Bellevue Avenue VA Owner LLC	Delaware
1814 Roseland Boulevard LLC	Delaware
1851 Elkcam Boulevard FL Owner LLC	Delaware
18th Avenue ALF, LLC	Kansas
1920-1940 Nerge Road Owner LLC	Delaware
1975 Tice Valley Boulevard CA Owner LLC	Delaware

2029 Westgate Drive PA Owner LLC	Delaware
204 Frazier Court PropCo LLC	Delaware
2125 Hilliard Road VA Owner LLC	Delaware
216 Santa Barbara Blvd FL Owner LLC	Delaware
220 North Clark Drive, LLC	Delaware
2200 NW Myhre Road LLC	Delaware
2323 N Casaloma Drive LLC	Delaware
2333 N Brentwood Circle FL Owner LLC	Delaware
235 Hanover Street LLC	Delaware
2400 East Lincoln St PropCo LLC	Delaware
2419 North Euclid Avenue Upland, LLC	California
2488 N California Street LLC	Delaware
250 Marter Avenue NJ Owner LLC	Delaware
2550 University Landlord LLC	Ohio
2550 University Tenant LLC	Delaware
267 Grand Cypress Landlord LLC	Delaware
2721 Willow Street LP	Delaware
27783 Center Drive LP	Delaware
2800 Palo Parkway CO Owner LLC	Delaware
2811 N.E. 139th Street WA Owner LLC	Delaware
2851 Tampa Road FL Owner LLC	Delaware
2870 Snouffer Landlord LLC	Ohio
2870 Snouffer Tenant LLC	Delaware
290 South Monaco Parkway CO Owner LLC	Delaware
2916 Habana Way FL Owner LLC	Delaware
2929 West Holcombe Boulevard, LLC	Delaware
2939 S Haverhill Rd FL Owner LLC	Delaware
2991 El Camino Real CA Opco LLC	Delaware
2991 El Camino Real CA Propco LLC	Delaware
29th Street ALF, LLC	Kansas
300 St. Albans Drive, LP	Delaware
3000 Windmill Road PA Owner LLC	Delaware
3001 Palm Coast Pkwy FL Owner LLC	Delaware
3001 South Congress Avenue FL Owner LLC	Delaware
3011 North Center Road MI Owner LLC	Delaware
303 West Lake Street LLC	Delaware
3101 Ginger Dr FL Owner LLC	Delaware
320 St. Albans Drive, LP	Delaware
329 Exempla Circle CO Owner LLC	Delaware
3330 Ehlmann PropCo LLC	Delaware
33770 Bagley Landlord LLC	Ohio
33770 Bagley Tenant LLC	Delaware
3430 Brunswick Landlord LLC	Ohio
3430 Brunswick Tenant LLC	Delaware
3485 Davisville Road PA Owner LLC	Delaware
35 Fenton Street, LLC	Delaware
350 Town Center Way PropCo LLC	Delaware
3535 Manchester Avenue Borrower, LLC	Delaware
3535 N. Hall Street, LLC	Delaware
3688 Veterans Memorial Drive LLC	Delaware
370 N Weber Rd PropCo LLC	Delaware
3735 Evans Ave FL Owner LLC	Delaware
3800 Commerce Blvd. IA Owner LLC	Delaware
3825 Countryside Boulevard FL Owner LLC	Delaware
3865 Tampa Rd FL Owner LLC	Delaware
3920 Rosewood Way FL Owner LLC	Delaware
400 Barks Road West OH Owner LLC	Delaware
400 N Washington Street VA Opco LLC	Delaware

400 N Washington Street VA Propco LLC	Delaware
400 Polly Lane Landlord LLC	Delaware
4000 San Pablo Parkway, LLC	Kansas
405 Bedford LP	Delaware
415 Bedford LP	Delaware
416 Bedford LP	Delaware
4206 Stammer Place, LLC	Delaware
42400 W 12 Mile Rd PropCo LLC	Delaware
4245 Glen Landlord LLC	Ohio
428 Airport Blvd Landlord LLC	Delaware
4310 Bee Cave Road, LLC	Delaware
435 Bedford LLC	Delaware
444 Merrick Road LLC	Delaware
44600 Five Mile Rd PropCo LLC	Delaware
44th Street SW Opco LLC	Delaware
450 South Kitsap Boulevard LLC	Delaware
4515 Marsha Sharp Freeway LLC	Delaware
4524 Intelco Loop SE WA Owner LLC	Delaware
4865 MacArthur Landlord LLC	Delaware
4927 Voorhees Rd FL Owner LLC	Delaware
500 Hospital Dr FL Owner LLC	Delaware
501 Thomas Jones Way PA Owner LLC	Delaware
504 North River Road, LLC	Delaware
505 North Maize Road, LLC	Delaware
5065 Wallis Rd FL Owner LLC	Delaware
518 West Fletcher Avenue FL Owner LLC	Delaware
530 Benton House Way PropCo LLC	Delaware
5300 West 29th Street, LLC	Delaware
5301 Creedmoor Road, LP	Delaware
5405 Babcock St NE FL Owner LLC	Delaware
541 Old Canoe Creek Rd FL Owner LLC	Delaware
550 NE Napoleon PropCo LLC	Delaware
550 South Carlin Springs Road VA Owner LLC	Delaware
551 North MA PropCo, LLC	Delaware
555 N New Ballas Road LLC	Delaware
5585 Caruth Haven PropCo LLC	Delaware
5651 Limestone Road DE Owner LLC	Delaware
567 N Parham Rd PropCo LLC	Delaware
5939 Roosevelt Boulevard, LLC	Kansas
600 W Ogden Avenue IL Owner LLC	Delaware
601 West Highway 6 LLC	Delaware
6011 Farrington Road LLC	Delaware
608 Steed Road PropCo LLC	Delaware
6144 Airport Boulevard LLC	Delaware
630 Carolina Bay NC PropCo, LLC	Delaware
6305 Cortez Rd W FL Owner LLC	Delaware
7001 Forest Avenue, LLC	Delaware
7001 Plano Parkway Opco LLC	Delaware
7001 Plano Parkway Propco LLC	Delaware
701 W. 71st Street South, LLC	Delaware
702 S Kings Ave FL Owner LLC	Delaware
7025 Lilley Road MI Owner LLC	Delaware
710 N Sun Dr FL Owner LLC	Delaware
71st Street ALF, LLC	Kansas
73 East Landlord LLC	Ohio
73 East Tenant LLC	Delaware
730 N Spring Landlord LLC	Ohio
730 N Spring Tenant LLC	Delaware

731 Old Buck Lane, LLC	Delaware
7395 West Eastman Place CO Owner LLC	Delaware
741 S Beneva Rd FL Owner LLC	Delaware
7442 Frank Avenue LLC	Delaware
7807 Upland Way CA Owner LLC	Delaware
7850-7880 West College Drive Owner LLC	Delaware
7902 South Mingo Road East, LLC	Delaware
800 Canadian Trails Drive, LLC	Delaware
800 N Lake PropCo LLC	Delaware
8001 Red Buckeye Tenant LLC	Delaware
8160 W Coal Mine Ave PropCo LLC	Delaware
81st Street ALF LLC	Delaware
8220 Natures Way, LLC	Delaware
833 Sixteenth Avenue IL Owner LLC	Delaware
850 Applegrove Landlord LLC	Ohio
850 Applegrove Tenant LLC	Delaware
8651 Carey Lane PropCo LLC	Delaware
8870 Duncan Ave PropCo LLC	Delaware
9035 Bryan Dairy Road FL Owner LLC	Delaware
91 Bass Road Landlord LLC	Delaware
9150 Lakeshore Tenant LLC	Delaware
919 109th Avenue Owner LLC	Delaware
925 West South Boulevard MI Owner LLC	Delaware
9355 San Jose Boulevard FL Owner LLC	Delaware
939 Portage Landlord LLC	Ohio
939 Portage Tenant LLC	Delaware
9394 Siegen Lane PropCo LLC	Delaware
9500 Broadview Landlord LLC	Ohio
9500 Broadview Tenant LLC	Delaware
Affordable Senior Housing Opportunities of New York, Inc.	New York
AH-WT Holdings LLC	Delaware
AL Santa Monica Senior Housing, LP	Delaware
Allentown PCH, LLC	Pennsylvania
Arvonnia ALF, LLC	Kansas
Aspen Tower Investments Ltd	Jersey
Aspen Tower Propco 1 Ltd	United Kingdom
Aspen Tower Propco 2 Limited	United Kingdom
Aspen Tower Propco 4 Ltd	United Kingdom
Aspen Tower Propco 8 Limited	United Kingdom
Aspen Tower Properties (Bournville) Ltd	Jersey
Aspen Tower Properties (Little Bookham) Ltd	Jersey
Aspen Tower Properties (Sutton) Ltd	Jersey
BAL Howell LLC	Delaware
BAL Longwood LLC	Pennsylvania
Ballard Healthcare Investors, LLC	Delaware
Bayfield Court Operations Limited	United Kingdom
Belmont Village Buckhead Tenant, LLC	Delaware
Belmont Village Buffalo Grove Tenant, LLC	Delaware
Belmont Village Buffalo Grove, L.L.C.	Delaware
Belmont Village Burbank Tenant, LLC	Delaware
Belmont Village Burbank, LLC	Delaware
Belmont Village Cardiff Tenant, LLC	Delaware
Belmont Village Carol Stream, L.L.C.	Delaware
Belmont Village Encino Tenant, LLC	Delaware
Belmont Village Encino, LLC	Delaware
Belmont Village Geneva Road Tenant, LLC	Delaware
Belmont Village Glenview Tenant, LLC	Delaware
Belmont Village Glenview, L.L.C.	Delaware

Belmont Village Green Hills Tenant, LLC	Delaware
Belmont Village Hollywood Tenant, LLC	Delaware
Belmont Village Hollywood, LLC	Delaware
Belmont Village Johns Creek Tenant, LLC	Delaware
Belmont Village Memphis Tenant, LLC	Delaware
Belmont Village Oak Park Tenant, LLC	Delaware
Belmont Village Oak Park, L.L.C.	Delaware
Belmont Village Rancho Palos Verdes Tenant, LLC	Delaware
Belmont Village RPV, LLC	Delaware
Belmont Village Sabre Springs Tenant, LLC	Delaware
Belmont Village San Jose Tenant, LLC	Delaware
Belmont Village San Jose, LLC	Delaware
Belmont Village St. Matthews Tenant, LLC	Delaware
Belmont Village St. Matthews, L.L.C.	Delaware
Belmont Village Sunnyvale Tenant, LLC	Delaware
Belmont Village Sunnyvale, LLC	Delaware
Belmont Village Turtle Creek Tenant, LLC	Delaware
Belmont Village West Lake Hills Tenant, LLC	Delaware
Belmont Village West University Tenant, LLC	Delaware
Belmont Village Westwood Tenant, LLC	Delaware
Benchmark Investments X LP	Delaware
Benchmark Investments XII LP	Delaware
BKD-HCN Tenant, LLC	Delaware
Blue Oaks Property Owner LLC	Delaware
Brooklyn Healthcare Investors, LLC	Delaware
Broomfield CO Senior Living Owner, LLC	Delaware
Burbank Subtenant LP	Delaware
BurrOakCommonsPlus, LLC	Ohio
Canadian Trails ILF ALF, LLC	Kansas
Canvas Denton Owner, LLC	Delaware
Center ALF, LLC	Kansas
Cerritos Subtenant LP	Delaware
Churchill Hawaii Kai Owner LLC	Delaware
Churchill NEC Owner LLC	Delaware
Churchill Portfolio Holdings Inc.	Delaware
Churchill Property Portfolio Owner LP	Delaware
Churchill REIT Holdco LLC	Delaware
Churchill REIT LLC	Delaware
Churchill RIDEA Holdco LLC	Delaware
Cincinnati Physicians, LLC	Delaware
Clover Communities Miami LLC	Delaware
Collierville Care, LLC	Michigan
Coon Rapids Healthcare Investors, LLC	Delaware
Coppel ALF, LLC	Kansas
Corso Ancillary FRI LLC	Delaware
Council ALF, LLC	Kansas
CPF Landlord, LLC	Delaware
Denton ALF, LLC	Kansas
DSL Landlord II, LLC	Delaware
DSL Tenant II, LLC	Delaware
Eagle Mountain AL Partners, L.P.	Texas
EPC Birmingham LLC	Delaware
EPC Boise Victory Road LLC	Delaware
EPC Clarendale LLC	Delaware
EPC Cobalt LLC	Delaware
EPC Guardian LLC	Delaware
EPC Hammes LLC	Delaware
EPC Hammes Patriot LLC	Delaware

EPC Highland Springs LLC	Delaware
EPC IRA LLC	Delaware
EPC LA JOLLA LLC	Delaware
EPC Naperville LLC	Delaware
EPC Sage Highland Creek LLC	Delaware
EPC Swift Leisure RIDEA Landlord LLC	Delaware
EPC Trevi LLC	Delaware
EPC Wingate LLC	Delaware
EPOCH at Hingham Subtenant, LLC	Delaware
EPOCH at Wellesley Subtenant, LLC	Delaware
EPOCH at Westford Subtenant, LLC	Delaware
Erwin NNN Landlord Group LLC	Delaware
Evergreen Place at Brockport Inc.	Virginia
FC-GEN Real Estate, LLC	Delaware
First Tower Partners LLC	Vermont
FLA-PALM COURT Limited Partnership	Florida
Flower Mound ALF, LLC	Kansas
Frontier Exchange Landlord Group LLC	Delaware
G & L Tustin III, LP	Delaware
G&L 4150 Regents LP	Delaware
G&L 436 Bedford LLC	Delaware
Genesis HC LLC	Pennsylvania
Genesis Meridian 7 Leasing Properties Limited Partnership, L.L.P.	Virginia
Georgetown Mays Street Owner LLC	Delaware
GHC Sub LLC	Delaware
Gig Harbor Physicians, LLC	Delaware
Glastonbury Drive Opco LLC	Delaware
Glendale 51st Avenue Owner LLC	Delaware
Grove City Care 2015, LLC	Michigan
GWC-Crestwood, Inc.	Virginia
GWC-Dix Hills, Inc.	Virginia
GWC-East Meadow, Inc.	Virginia
GWC-East Setauket, Inc.	Virginia
GWC-Glen Cove, Inc.	Virginia
GWC-Holbrook, Inc.	Virginia
GWC-Plainview, Inc.	Virginia
GWC-West Babylon, Inc.	Virginia
Hampton Villa LLC	Delaware
HawthorneCommonsPlus, LLC	Ohio
HCN Canadian Holdings LP-1 Ltd. (Continued)	British Columbia
HCN Canadian Holdings-1 LP	Ontario
HCN Canadian Investment (Dufferin) LP	Ontario
HCN Canadian Investment (Regency) LP	Ontario
HCN Canadian Investment (Teasdale) LP	Ontario
HCN Canadian Investment (Terrasses Versailles) LP	Ontario
HCN Canadian Investment-1 LP	Ontario
HCN Canadian Investment-5 LP	Ontario
HCN Canadian Leasing Ltd. (Continued)	British Columbia
HCN G&L DownREIT II, LLC	Delaware
HCN G&L DownREIT LLC	Delaware
HCN G&L Holy Cross Sub, LLC	Delaware
HCN G&L Santa Clarita Sub, LLC	Delaware
HCN G&L Valencia Sub, LLC	Delaware
HCN Interra Lake Travis LTACH, LLC	Delaware
HCN Lessee (Stonehaven) LP	Ontario
HCN UK Investments Limited	Jersey
HCN-Cogir Lessee LP	Ontario
HCN-Revera (Regal) Limited Partnership	Ontario

HCN-Revera Joint Venture Limited Partnership	Ontario
HCN-Revera Lessee (Alta Vista) LP	Ontario
HCN-Revera Lessee (Appleby Place) LP	Ontario
HCN-Revera Lessee (Barhaven) LP	Ontario
HCN-Revera Lessee (Beechwood) LP	Ontario
HCN-Revera Lessee (Birkdale) LP	Ontario
HCN-Revera Lessee (Bough Beeches Place) LP	Ontario
HCN-Revera Lessee (Bradgate Arms) LP	Ontario
HCN-Revera Lessee (Chatham) LP	Ontario
HCN-Revera Lessee (Churchill Place) LP	Ontario
HCN-Revera Lessee (Clair Matin) LP	Ontario
HCN-Revera Lessee (Claremont) LP	Ontario
HCN-Revera Lessee (Colonel By) LP	Ontario
HCN-Revera Lessee (Crofton Manor) LP	Ontario
HCN-Revera Lessee (Don Mills) LP	Ontario
HCN-Revera Lessee (Donway Place) LP	Ontario
HCN-Revera Lessee (Dorchester) LP	Ontario
HCN-Revera Lessee (Edgemont) LP	Ontario
HCN-Revera Lessee (Emerite de Brossard) LP	Ontario
HCN-Revera Lessee (Evergreen) LP	Ontario
HCN-Revera Lessee (Fleetwood Villa) LP	Ontario
HCN-Revera Lessee (Forest Hill Place) LP	Ontario
HCN-Revera Lessee (Glynnwood) LP	Ontario
HCN-Revera Lessee (Greenway) LP	Ontario
HCN-Revera Lessee (Heartland) LP	Ontario
HCN-Revera Lessee (Hollyburn House) LP	Ontario
HCN-Revera Lessee (Inglewood) LP	Ontario
HCN-Revera Lessee (Jardins Interieurs) LP	Ontario
HCN-Revera Lessee (Kensington Victoria) LP	Ontario
HCN-Revera Lessee (Kensington) LP	Ontario
HCN-Revera Lessee (King Gardens) LP	Ontario
HCN-Revera Lessee (Kingsway) LP	Ontario
HCN-Revera Lessee (Leaside) LP	Ontario
HCN-Revera Lessee (Manoir Lafontaine) LP	Ontario
HCN-Revera Lessee (McKenzie Towne) LP	Ontario
HCN-Revera Lessee (Meadowlands) LP	Ontario
HCN-Revera Lessee (Parkwood Court) LP	Ontario
HCN-Revera Lessee (Parkwood Manor) LP	Ontario
HCN-Revera Lessee (Parkwood Place) LP	Ontario
HCN-Revera Lessee (Port Perry) LP	Ontario
HCN-Revera Lessee (Portobello) LP	Ontario
HCN-Revera Lessee (Portsmouth) LP	Ontario
HCN-Revera Lessee (Prince of Wales) LP	Ontario
HCN-Revera Lessee (River Ridge) LP	Ontario
HCN-Revera Lessee (Riverbend) LP	Ontario
HCN-Revera Lessee (Scenic Acres) LP	Ontario
HCN-Revera Lessee (The Churchill) LP	Ontario
HCN-Revera Lessee (Valley Stream) LP	Ontario
HCN-Revera Lessee (Waverley/Rosewood) LP	Ontario
HCN-Revera Lessee (Wellington) LP	Ontario
HCN-Revera Lessee (Westwood) LP	Ontario
HCN-Revera Lessee (Whitecliff) LP	Ontario
HCN-Revera Lessee (Windermere on the Mount) LP	Ontario
HCN-Revera Lessee (Windsor) LP	Ontario
HCP Maryland Properties, LLC	Delaware
HCRI Connecticut Avenue Subtenant, LLC	Delaware
HCRI Emerald Holdings III, LLC	Delaware
HCRI Emerald Holdings, LLC	Delaware

HCRI Illinois Properties, LLC	Delaware
HCRI Indiana Properties, LLC	Indiana
HCRI Kansas Properties, LLC	Delaware
HCRI Massachusetts Properties Trust II	Massachusetts
HCRI North Carolina Properties I, Inc.	North Carolina
HCRI North Carolina Properties III, Limited Partnership	North Carolina
HCRI NY-NJ Properties, LLC	Delaware
HCRI of Folsom Tenant, LLC	California
HCRI of Upland Tenant, LLC	California
HCRI Pennsylvania Properties Holding Company	Delaware
HCRI Pennsylvania Properties, LLC	Pennsylvania
HCRI Plano Medical Facility, LLC	Delaware
HCRI Sun III Minnetonka Senior Living, LLC	Delaware
HCRI Sun III Tenant, LP	Delaware
HCRI Sun Three Lombard IL Senior Living, LLC	Delaware
HCRI Sun Two Baton Rouge LA Senior Living, LLC	Delaware
HCRI Sun Two Gilbert AZ Senior Living, LLC	Delaware
HCRI Sun Two Metairie LA Senior Living, LLC	Delaware
HCRI Tennessee Properties, LLC	Delaware
HCRI Texas Properties, Ltd.	Texas
HCRI Tucson Properties, Inc.	Delaware
HCRI Wisconsin Properties, LLC	Wisconsin
Heartis San Antonio Partners, L.P.	Texas
Hingham Terry Drive I LLC	Delaware
Honey Creek Owner LLC	Delaware
Immeuble Jazz Longueuil, société en commandite	Quebec
Jupiter Landlord, LLC	Delaware
Jupiter Tenant, LLC	Delaware
Kensington Property Owner LLC	Delaware
Kensington Tenant LLC	Delaware
Keystone Communities of Eagan, LLC	Minnesota
Keystone Communities of Highland Park, LLC	Delaware
Keystone Communities of Mankato, LLC	Minnesota
Keystone Communities of Prior Lake, LLC	Minnesota
Keystone Communities of Roseville, LLC	Delaware
Kroger Street Opco LLC	Delaware
KSL Landlord, LLC	Delaware
Lake Pointe Boulevard Landlord LLC	Delaware
Lake Pointe Boulevard Tenant LLC	Delaware
Lakewood Manor Owner LLC	Delaware
Lancaster PCH, LLC	Pennsylvania
Le Renoir, société en commandite	Quebec
Lititz PCH, LLC	Pennsylvania
Lotz Road Opco LLC	Delaware
LW Allentown OpCo LLC	Delaware
LW Broomfield OpCo LLC	Delaware
LW Broomfield PropCo LLC	Delaware
LW Fort Worth OpCo LLC	Delaware
LW Fort Worth PropCo LLC	Delaware
LW Hutchinson OpCo LLC	Delaware
LW Jupiter PropCo LLC	Delaware
LW Mansfield OpCo LLC	Delaware
LW Mansfield PropCo LLC	Delaware
LW McKinney OpCo LLC	Delaware
LW McKinney PropCo LLC	Delaware
Maids Moreton Operations Limited	United Kingdom
Maize CCRC, LLC	Kansas
Marietta Physicians LLC	Delaware

Markglen, LLC	West Virginia
Marlin Fort Pierce Propco LLC	Delaware
Marlin Green Cove Propco LLC	Delaware
Marlin Parks Propco LLC	Delaware
Marlin Raydiant Fort Myers Propco LLC	Delaware
Marlin Raydiant Jacksonville Propco LLC	Delaware
Marlin Safety Harbor Propco LLC	Delaware
Marlin St. Petersburg Propco LLC	Delaware
Marlin Wood Lake Propco LLC	Delaware
May ALF, LLC	Kansas
Meadowood ALF, LLC	Kansas
Medina Care, LLC	Michigan
Mill Creek Real Estate Partners, LLC	Delaware
Mingo Road ALF, LLC	Kansas
Mission Viejo Subtenant LP	Delaware
Monarch Coopers Corner PropCo LLC	Delaware
Monitor Road Opco LLC	Delaware
Moorestown Physicians, LLC	Delaware
Mount Vernon Physicians, LLC	Delaware
MS Avon, L.P.	Indiana
MS Brecksville, L.P.	Indiana
MS Chesterfield, L.P.	Indiana
MS Stafford, L.P.	Indiana
Murrieta Healthcare Investors, LLC	Delaware
Myrtle Landing Place Property Owner LLC	Delaware
Naples Collier Boulevard Owner LLC	Delaware
Narrows Glen Property Owner LLC	Delaware
Natures Way ALF, LLC	Kansas
Otay Landlord LLC	Delaware
Otay Tenant LLC	Delaware
Palo Alto Tenant LP	Delaware
Pasadena Avenue Landlord LLC	Delaware
Pasadena Avenue Tenant LLC	Delaware
Pflugerville Loop Owner LLC	Delaware
Portage Care 2015, LLC	Michigan
Potomac Acquisition LLC	Delaware
Poughkeepsie Hopewell Junction LLC	Delaware
Queen Creek Ocotillo Road BTR Owner LLC	Delaware
Queen Creek Ocotillo Road Owner LLC	Delaware
RedbudCommonsPlus, LLC	Ohio
Redmond Partners, LLC	Delaware
Redwood Tower Devco 3 Limited	Jersey
Redwood Tower Devco 6 Limited	Jersey
Redwood Tower Propco 1 Limited	United Kingdom
Redwood Tower Propco 2 Limited	United Kingdom
Redwood Tower Propco 3 Limited	United Kingdom
Redwood Tower UK Opco 1 Limited	United Kingdom
Redwood Tower UK Opco 2 Limited	United Kingdom
Résidences Les Jardins, société en commandite	Quebec
RM10A Holdings, LLC	Delaware
RM11A Holdings, LLC	Delaware
RM12A Holdings, LLC	Delaware
RM13A Holdings, LLC	Delaware
RM15 Holdings, LLC	Delaware
RM16A Holdings, LLC	Delaware
RM18 Holdings, LLC	Delaware
RM19 Holdings, LLC	Delaware
RM2 Holdings LP	Delaware

RM20 Holdings, LLC	Delaware
RM22 Holdings, LLC	Delaware
RM23A Holdings, LLC	Delaware
RM25 Holdings, LLC	Delaware
RM53 Holdings, LLC	Delaware
RM64 Holdings, LLC	Delaware
RM66 Holdings, LLC	Delaware
RM9A Holdings, LLC	Delaware
Rockwall ALF, LLC	Kansas
Roosevelt ALF, LLC	Kansas
RPA Saint-Bruno, société en commandite	Quebec
RPADS Proprio 2, société en commandite	Quebec
RPADS Proprio 3, société en commandite	Quebec
RPADS Proprio 4, société en commandite	Quebec
RPADS Proprio 5, société en commandite	Quebec
RPADS Proprio 6, société en commandite	Quebec
RPADS Proprio 7, société en commandite	Quebec
RPADS Proprio 8, société en commandite	Quebec
RPADS Proprio 9, société en commandite	Quebec
Sachse Station Boulevard Owner LLC	Delaware
San Pablo ALF, LLC	Kansas
Santa Barbara ALF, LLC	Kansas
Santa Fe Las Soleras Medical Development LLC	Delaware
Sarasota Floridian, LLC	Florida
Senior Living Ankeny, LLC	Delaware
Senior Living Chesterton 2 LLC	Delaware
Senior Living Collierville, LLC	Michigan
Senior Living Fairfield, LLC	Michigan
Senior Living Fort Wayne 2 LLC	Delaware
Senior Living Grove City, LLC	Michigan
Senior Living Medina, LLC	Michigan
Senior Living Pella, LLC	Delaware
Senior Living Portage, LLC	Michigan
Senior Living Waterville, LLC	Michigan
Senior Living Waukee, LLC	Delaware
Signature Senior Landlord, LLC	Delaware
SIPL Quantum Propco Ltd	Jersey
SIPL Saints Propco Ltd	Jersey
SNF PA Holdco LLC	Delaware
St. Clare Physicians, LLC	Delaware
Sterling Finco LP	United Kingdom
Sunrise Connecticut Avenue Assisted Living Owner, L.L.C.	Virginia
Sunrise Louisville KY Senior Living, LLC	Kentucky
Sunrise of Beaconsfield, LP	Ontario
Sunrise of Blainville, LP	Ontario
Sunrise of Coral Gables PropCo, LLC	Delaware
Sunrise of Cupertino PropCo, LLC	Delaware
Sunrise of Dollard des Ormeaux, LP	Ontario
Sunrise of Fairfield OpCo, LLC	Delaware
Sunrise of Fairfield PropCo, LLC	Delaware
Sunrise of Oceanside CA Propco, LLC	Delaware
Sunrise of Redmond OpCo, LLC	Delaware
Sunrise of Redmond PropCo, LLC	Delaware
Sutton Place Owner LLC	Delaware
The Blake at Bossier City Landlord LLC	Delaware
The Blake at Charlottesville Landlord LLC	Delaware
The Blake at Colonial Club Landlord LLC	Delaware
The Blake at Kingsport Landlord LLC	Delaware

The Blake at Kingsport Tenant LLC	Delaware
The Landing at Queensbury Inc.	Virginia
Thousand Oaks Property Owner LLC	Delaware
Town Court ALF, LLC	Kansas
Trade Street Tenant LLC	Delaware
Transformer Tenant LP	Delaware
Urban Senior Living JV LLC	Delaware
Virginia Beach Health Investors, LLC	Virginia
Voorhees Physicians, LLC	Delaware
W TCG Burlison AL, LLC	Delaware
WC Operating (Jazz) LP	Ontario
Webb ILF, LLC	Kansas
Weber Place Landlord LLC	Delaware
Weber Place Tenant LLC	Delaware
WELL 1031 Holdeo 1 LLC	Delaware
WELL 2010 LLC	Delaware
WELL 2010 REIT LLC	Delaware
WELL Balfour Brookline Landlord LLC	Delaware
WELL Balfour Landlord LLC	Delaware
WELL Balfour Stapleton Landlord LLC	Delaware
WELL Balfour Tenant LLC	Delaware
WELL Beverly Landlord LLC	Delaware
WELL BL OpCo LLC	Delaware
WELL BL Portfolio 1 OpCo LLC	Delaware
WELL BL Portfolio 1 PropCo LLC	Delaware
WELL BL Potomac Operator LLC	Delaware
WELL CA Landlord LLC	Delaware
WELL CA WA Landlord LLC	Delaware
WELL CA WA Tenant LLC	Delaware
WELL Cardiff Opco Limited	United Kingdom
WELL Churchill Tenant LLC	Delaware
WELL COGIR Landlord II LP	Delaware
WELL COGIR Landlord III LP	Delaware
WELL COGIR Tenant III LLC	Delaware
WELL Cottonwood Tyler MOB LLC	Delaware
WELL Frontier Landlord LLC	Delaware
WELL Frontier Tenant LLC	Delaware
WELL I-A Properties LLC	Delaware
WELL Integra Master JV LLC	Delaware
WELL Ivy 6 Tenant LLC	Delaware
WELL Kisco BP Phase 1 Parcel LLC	Delaware
WELL Kisco Byron Park Tenant LLC	Delaware
WELL KISCO THE CARNEGIE LANDLORD, LLC	Delaware
WELL LC Portfolio LLC	Delaware
WELL LCB Landlord LLC	Delaware
WELL LCB Portfolio 1 Tenant LLC	Delaware
WELL LCB Tenant LLC	Delaware
WELL M&O Haymarket JV LLC	Delaware
WELL Mezzanine Lender LLC	Delaware
WELL Monarch Landlord LLC	Delaware
WELL Nebraska Tenant LLC	Delaware
WELL NorCal Landlord LLC	Delaware
WELL NPSL Landlord, LLC	Delaware
WELL NPSL Tenant, LLC	Delaware
WELL Oak CCRC Tenant LLC	Delaware
WELL Oak Tenant LLC	Delaware
WELL OSL Carmichael LLC	Delaware
WELL OSL EL Dorado LLC	Delaware

WELL OSL North Fresno LLC	Delaware
WELL OSL Orange LLC	Delaware
WELL OSL Pacific Beach LLC	Delaware
WELL OSL Redding LLC	Delaware
WELL Pappas Berkeley Owner LLC	Delaware
WELL Pappas Corporate Parcel Owner LLC	Delaware
WELL Path Landlord LLC	Delaware
WELL Path Tenant LLC	Delaware
WELL PM Holdco 2 JV LLC	Delaware
WELL PM Holdco JV LLC	Delaware
WELL PM Properties LLC	Delaware
WELL Properties Intermediate Holdco LLC	Delaware
WELL Sea Bluffs Condos LLC	Delaware
WELL SP Landlord 2 LLC	Delaware
WELL TBC Columbus JV LLC	Delaware
WELL TBC Kansas City JV, LLC	Delaware
WELL TP BTR Portfolio Member LLC	Delaware
WELL TPI JV LLC	Delaware
WELL Trevi Albemarle SNF LLC	Delaware
WELL Trevi CCRC Tenant, LLC	Delaware
WELL Trevi Tenant, LLC	Delaware
WELL UK Investments Ltd	Jersey
WELL Unitranche Member LLC	Delaware
WELL US SubREIT LLC	Delaware
WELL WB Portfolio Member LLC	Delaware
WELL WH Tenant LLC	Delaware
WELL WM Portfolio Member LLC	Delaware
WELL ZEAL Sherman Owner LLC	Delaware
WellClover Holdings LLC	Delaware
Wellesley Washington Street Housing I LLC	Delaware
Welltower 1915 North 34th Street, LLC	Wisconsin
Welltower Canadian Services TRS LP	Ontario
Welltower Carmichael Tenant LLC	Delaware
Welltower CCRC OpCo LLC	Delaware
Welltower Cogir Landlord, LP	Delaware
Welltower Cogir Tenant, LLC	Delaware
Welltower Colorado Properties LLC	Delaware
Welltower Inc.	Delaware
Welltower Iowa Holdco LLC	Delaware
Welltower Kisco RIDEA Holdco LP	Delaware
Welltower Kisco RIDEA Landlord, LLC	Delaware
Welltower Kisco RIDEA Tenant, LLC	Delaware
Welltower Landlord Group LLC	Delaware
Welltower Lending Group LLC	Delaware
Welltower NNN Group LLC	Delaware
Welltower North Fresno Tenant LLC	Delaware
Welltower OM Group LLC	Delaware
Welltower OP LLC	Delaware
Welltower OpCo Group LLC	Delaware
Welltower Orange Tenant LLC	Delaware
Welltower Pacific Beach Tenant LLC	Delaware
Welltower Pappas MOB 1, LLC	Delaware
Welltower Pappas MOB 2, LLC	Delaware
Welltower Pegasus Landlord, LLC	Delaware
Welltower Pegasus Tenant, LLC	Delaware
Welltower Portfolio Tenant LLC	Delaware
Welltower PropCo Group Borrower LLC	Delaware
Welltower PropCo Group LLC	Delaware

Welltower Redding Tenant LLC	Delaware
Welltower TCG NNN Landlord, LLC	Delaware
Welltower TCG RIDEA Landlord, LLC	Delaware
Welltower TCG RIDEA Tenant, LLC	Delaware
Welltower Tenant Group LLC	Delaware
Welltower TRS Holdco LLC	Delaware
Welltower Victory II Landlord LP	Delaware
Welltower Victory III Landlord LLC	Delaware
Wesley Chapel Downs Boulevard Owner LLC	Delaware
Westford Littleton Road I LLC	Delaware
Westminster Junction Venture, LLC	Minnesota
Willow Tower Investments LP	Jersey
Willow Tower Opco 1 Limited	United Kingdom
Windrose Mount Vernon Properties, L.L.C.	Virginia
Windrose West Boca Properties, Ltd.	Florida
WT 9 Pack Property Owner LLC	Delaware
WT Hampshire Property Owner LLC	Delaware
WT Tenant OpCo LLC	Delaware
WT UK OpCo 1 Limited	United Kingdom
WT UK OpCo 2 Limited	United Kingdom
WT UK OpCo 3 Limited	United Kingdom
WT UK Opco 4 Limited	United Kingdom
WTR Landlord LLC	Delaware
WTR Tenant LLC	Delaware

Omits names of subsidiaries that as of December 31, 2023 were not, in the aggregate, "significant subsidiaries."

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following registration statements:

- Registration Statement (Form S-8 No. 333-264096) dated April 1, 2022 pertaining to the Welltower Inc. 2022 Long-Term Incentive Plan and the Welltower Inc. 2022 Employee Stock Purchase Plan;
- Registration Statement (Form S-3 No. 333-264093) dated April 1, 2022 pertaining to an indeterminate amount of Welltower Inc.'s debt securities, common stock, preferred stock, depository shares, guarantees of debt securities issued by Welltower OP LLC, warrants and units and Welltower OP LLC's debt securities and guarantees of debt securities issued by Welltower Inc.; and
- Registration Statement (Form S-3 No. 333-264094) dated April 1, 2022 pertaining to the Welltower Inc. Sixth Amended and Restated Dividend Reinvestment and Stock Purchase Plan

of our reports dated February 15, 2024, with respect to the consolidated financial statements and schedules of Welltower Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Welltower Inc. and subsidiaries included in this Annual Report (Form 10-K) of Welltower Inc., for the year ended December 31, 2023.

/s/ ERNST & YOUNG LLP

Toledo, Ohio
February 15, 2024

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **Shankh Mitra**, certify that:

1. I have reviewed this annual report on Form 10-K of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2024

/s/ Shankh Mitra

Shankh Mitra,
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Timothy G. McHugh**, certify that:

1. I have reviewed this annual report on Form 10-K of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2024

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,
Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Shankh Mitra, the Chief Executive Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Annual Report on Form 10-K for the Company for the quarter ended December 31, 2023 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHANKH MITRA

Shankh Mitra,
Chief Executive Officer
Date: February 15, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Timothy G. McHugh, the Chief Financial Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Annual Report on Form 10-K for the Company for the quarter ended December 31, 2023 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,
Executive Vice President and Chief Financial Officer
Date: February 15, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CLAWBACK POLICY

A. OVERVIEW

It is the policy of Welltower Inc. (the “Company”) that, in the event the Company is required to prepare an accounting restatement of the Company’s financial statements due to material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive-Based Compensation Received by a Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements. The Company’s policy on this subject as set forth herein shall be referred to as the “Policy”.

B. POLICY ADMINISTRATION AND DEFINITIONS

The Policy is administered by the Compensation Committee (the “Committee”) of the Company’s Board of Directors and is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in Section 303A.14 of the New York Stock Exchange Listed Company Manual as adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, “Rule 10D-1”). The Committee is authorized to amend the Policy from time-to-time to take account of developments in applicable law or the New York Stock Exchange’s listing standards.

For purposes of the Policy:

“Incentive-Based Compensation” means any compensation granted, earned, or vested based in whole or in part on the Company’s attainment of a financial reporting measure that was Received by a person (i) on or after October 2, 2023 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A “financial reporting measure” is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on the Company’s stock price or total shareholder return.

Incentive-Based Compensation is deemed to be “Received” in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

“Covered Executive” means any “executive officer” of the Company as defined under Rule 10D-1.

“Recovery Period” means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in the Policy, all as determined pursuant to Rule 10D-1, and any transition period of less than nine months that is within or immediately following such three fiscal years.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company’s restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to the Policy. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. Any determinations made by the Committee under the Policy shall be final and binding on all affected individuals.

The Company may effectuate any recovery pursuant to the Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement the Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to the Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other policy, any employment agreement or plan or award terms, and any other legal remedies available to the Company. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation pursuant to the Policy.

Reviewed and approved by the Compensation Committee of the Board of Directors of Welltower Inc. on November 28, 2023.

EXHIBIT B

ACTUAL VERSUS PROJECTED RESULTS

[NOT APPLICABLE]

EXHIBIT C

INTERIM FINANCIAL STATEMENTS AND WELLTOWER INC. QUARTERLY REPORT

[ATTACHED]

630 Carolina Bay Opco LLC

Balance Sheet

As of
March 31, 2024

ASSETS:

Cash and cash equivalents	\$	-
Accounts receivable and other assets		<u>800</u>

TOTAL ASSETS \$ 800

LIABILITIES AND MEMBER'S EQUITY:

Accrued liabilities	\$	280,153
Management fee payable		<u>433,106</u>

TOTAL LIABILITIES \$ 713,259

MEMBER'S EQUITY

Current year net loss		<u>(712,459)</u>
-----------------------	--	------------------

TOTAL LIABILITIES AND MEMBER'S EQUITY \$ 800

630 Carolina Bay Opco LLC

Statement of Operations

For the four
months ended
March 31, 2024

STATEMENT OF OPERATIONS:

Lease income	\$	800
Net income / (loss) from licensee		(280,153)
Management fee expense		<u>(433,106)</u>
NET INCOME/(LOSS)	\$	<u><u>(712,459)</u></u>

630 Carolina Bay Opco LLC
Statement of Changes in Member's Equity

Balance at November 30, 2023	\$	-
Net income/(loss)		<u>(712,459)</u>
Balance at March 31, 2024	\$	<u><u>(712,459)</u></u>

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-8923

WELLTOWER INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of Incorporation)

4500 Dorr Street Toledo, Ohio
(Address of principal executive office)

34-1096634

(IRS Employer
Identification No.)

43615
(Zip Code)

(419) - 247-2800

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$1.00 par value per share	WELL	New York Stock Exchange
Guarantee of 4.800% Notes due 2028 issued by Welltower OP LLC	WELL/28	New York Stock Exchange
Guarantee of 4.500% Notes due 2034 issued by Welltower OP LLC	WELL/34	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 26, 2024, Welltower Inc. had 597,916,197 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

**CONSOLIDATED BALANCE SHEETS
WELLTOWER INC. AND SUBSIDIARIES**

(In thousands)

	<u>March 31, 2024 (Unaudited)</u>	<u>December 31, 2023 (Note)</u>
Assets:		
Real estate investments:		
Real property owned:		
Land and land improvements	\$ 4,754,699	\$ 4,697,824
Buildings and improvements	37,841,775	37,796,553
Acquired lease intangibles	2,158,915	2,166,470
Real property held for sale, net of accumulated depreciation	422,225	372,883
Construction in progress	1,342,410	1,304,441
Less accumulated depreciation and amortization	<u>(9,537,562)</u>	<u>(9,274,814)</u>
Net real property owned	36,982,462	37,063,357
Right of use assets, net	348,892	350,969
Real estate loans receivable, net of credit allowance	<u>1,426,094</u>	<u>1,361,587</u>
Net real estate investments	38,757,448	38,775,913
Other assets:		
Investments in unconsolidated entities	1,719,646	1,636,531
Goodwill	68,321	68,321
Cash and cash equivalents	2,388,488	1,993,646
Restricted cash	89,847	82,437
Straight-line rent receivable	469,976	443,800
Receivables and other assets	<u>1,059,859</u>	<u>1,011,518</u>
Total other assets	5,796,137	5,236,253
Total assets	<u>\$ 44,553,585</u>	<u>\$ 44,012,166</u>
Liabilities and equity		
Liabilities:		
Unsecured credit facility and commercial paper	\$ —	\$ —
Senior unsecured notes	12,171,913	13,552,222
Secured debt	2,033,232	2,183,327
Lease liabilities	381,320	383,230
Accrued expenses and other liabilities	<u>1,419,212</u>	<u>1,521,660</u>
Total liabilities	16,005,677	17,640,439
Redeemable noncontrolling interests	300,915	290,605
Equity:		
Common stock	592,637	565,894
Capital in excess of par value	35,105,097	32,741,949
Treasury stock	(114,842)	(111,578)
Cumulative net income	9,272,190	9,145,044
Cumulative dividends	(17,126,302)	(16,773,773)
Accumulated other comprehensive income (loss)	<u>(180,837)</u>	<u>(163,160)</u>
Total Welltower Inc. stockholders' equity	27,547,943	25,404,376
Noncontrolling interests	<u>699,050</u>	<u>676,746</u>
Total equity	28,246,993	26,081,122
Total liabilities and equity	<u>\$ 44,553,585</u>	<u>\$ 44,012,166</u>

Note: The consolidated balance sheet at December 31, 2023 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**WELLTOWER INC. AND SUBSIDIARIES**

(In thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Revenues:		
Resident fees and services	\$ 1,360,274	\$ 1,131,685
Rental income	417,652	384,059
Interest income	52,664	36,405
Other income	29,151	8,580
Total revenues	<u>1,859,741</u>	<u>1,560,729</u>
Expenses:		
Property operating expenses	1,096,913	957,753
Depreciation and amortization	365,863	339,112
Interest expense	147,318	144,403
General and administrative expenses	53,318	44,371
Loss (gain) on derivatives and financial instruments, net	(3,054)	930
Loss (gain) on extinguishment of debt, net	6	5
Provision for loan losses, net	1,014	777
Impairment of assets	43,331	12,629
Other expenses	14,131	22,745
Total expenses	<u>1,718,840</u>	<u>1,522,725</u>
Income (loss) from continuing operations before income taxes and other items	140,901	38,004
Income tax (expense) benefit	(6,191)	(3,045)
Income (loss) from unconsolidated entities	(7,783)	(7,071)
Gain (loss) on real estate dispositions, net	4,707	747
Income (loss) from continuing operations	<u>131,634</u>	<u>28,635</u>
Net income (loss)	131,634	28,635
Less: Net income (loss) attributable to noncontrolling interests ⁽¹⁾	4,488	2,962
Net income (loss) attributable to common stockholders	<u>\$ 127,146</u>	<u>\$ 25,673</u>
Weighted average number of common shares outstanding:		
Basic	574,049	492,061
Diluted	577,530	494,494
Earnings per share:		
Basic:		
Income (loss) from continuing operations	<u>\$ 0.23</u>	<u>\$ 0.06</u>
Net income (loss) attributable to common stockholders	<u>\$ 0.22</u>	<u>\$ 0.05</u>
Diluted:		
Income (loss) from continuing operations	<u>\$ 0.23</u>	<u>\$ 0.06</u>
Net income (loss) attributable to common stockholders ⁽²⁾	<u>\$ 0.22</u>	<u>\$ 0.05</u>
Dividends declared and paid per common share	\$ 0.61	\$ 0.61

⁽¹⁾ Includes amounts attributable to redeemable noncontrolling interests.⁽²⁾ Includes adjustment to the numerator for income (loss) attributable to OP Units and DownREIT Units.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**WELLTOWER INC. AND SUBSIDIARIES**

(In thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Net income (loss)	\$ 131,634	\$ 28,635
Other comprehensive income (loss):		
Foreign currency translation gain (loss)	(85,830)	80,765
Derivative and financial instruments designated as hedges gain (loss)	60,615	(69,738)
Total other comprehensive income (loss)	(25,215)	11,027
Total comprehensive income (loss)	106,419	39,662
Less: Total comprehensive income (loss) attributable to noncontrolling interests ⁽¹⁾	(3,050)	5,841
Total comprehensive income (loss) attributable to common stockholders	\$ 109,469	\$ 33,821

⁽¹⁾ Includes amounts attributable to redeemable noncontrolling interests.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES

(In thousands)

	Three Months Ended March 31, 2024							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2024	\$ 565,894	\$ 32,741,949	\$ (111,578)	\$ 9,145,044	\$ (16,773,773)	\$ (163,160)	\$ 676,746	\$ 26,081,122
Comprehensive income:								
Net income (loss)				127,146			4,180	131,326
Other comprehensive income (loss)						(17,677)	(6,075)	(23,752)
Total comprehensive income								107,574
Net change in noncontrolling interests		(19,282)					6,191	(13,091)
Adjustment to members' interest from change in ownership in Welltower OP		(18,852)					18,852	—
Redemption of OP Units and DownREIT Units	19	825					(844)	—
Amounts related to stock incentive plans, net of forfeitures	112	11,936	(3,264)					8,784
Net proceeds from issuance of common stock	26,612	2,388,521						2,415,133
Dividends paid:								
Common stock dividends					(352,529)			(352,529)
Balances at March 31, 2024	<u>\$ 592,637</u>	<u>\$ 35,105,097</u>	<u>\$ (114,842)</u>	<u>\$ 9,272,190</u>	<u>\$ (17,126,302)</u>	<u>\$ (180,837)</u>	<u>\$ 699,050</u>	<u>\$ 28,246,993</u>
	Three Months Ended March 31, 2023							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2023	\$ 491,919	\$ 26,742,750	\$ (111,001)	\$ 8,804,950	\$ (15,514,097)	\$ (119,707)	\$ 714,739	\$ 21,009,553
Comprehensive income:								
Net income (loss)				25,673			2,688	28,361
Other comprehensive income (loss)						8,148	3,023	11,171
Total comprehensive income								39,532
Net change in noncontrolling interests		(8,304)					29,648	21,344
Adjustment to members' interest from change in ownership in Welltower OP		(6,139)					6,139	—
Redemption of OP Units and DownREIT Units	272	17,515					(432)	17,355
Amounts related to stock incentive plans, net of forfeitures	134	9,330	(1,924)					7,540
Net proceeds from issuance of common stock	5,603	404,862						410,465
Dividends paid:								
Common stock dividends					(301,829)			(301,829)
Balances at March 31, 2023	<u>\$ 497,928</u>	<u>\$ 27,160,014</u>	<u>\$ (112,925)</u>	<u>\$ 8,830,623</u>	<u>\$ (15,815,926)</u>	<u>\$ (111,559)</u>	<u>\$ 755,805</u>	<u>\$ 21,203,960</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES

(In thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Operating activities:		
Net income	\$ 131,634	\$ 28,635
Adjustments to reconcile net income to net cash provided from (used in) operating activities:		
Depreciation and amortization	365,863	339,112
Other amortization expenses	13,105	9,792
Provision for loan losses, net	1,014	777
Impairment of assets	43,331	12,629
Stock-based compensation expense	12,048	9,456
Loss (gain) on derivatives and financial instruments, net	(3,054)	930
Loss (gain) on extinguishment of debt, net	6	5
Loss (income) from unconsolidated entities	7,783	7,071
Rental income less than (in excess of) cash received	(30,503)	(36,827)
Amortization related to above (below) market leases, net	(5)	(82)
Loss (gain) on real estate dispositions, net	(4,707)	(747)
Proceeds from (payments on) interest rate swap settlements	(59,555)	—
Distributions by unconsolidated entities	1,609	3,418
Increase (decrease) in accrued expenses and other liabilities	(29,420)	(4,503)
Decrease (increase) in receivables and other assets	(42,343)	6,392
Net cash provided from (used in) operating activities	406,806	376,058
Investing activities:		
Cash disbursed for acquisitions, net of cash acquired	(62,771)	(402,719)
Cash disbursed for capital improvements to existing properties	(132,509)	(91,339)
Cash disbursed for construction in progress	(231,763)	(226,226)
Capitalized interest	(13,809)	(10,335)
Investment in loans receivable	(116,789)	(54,831)
Principal collected on loans receivable	36,472	15,592
Other investments, net of payments	(11,723)	(80,548)
Contributions to unconsolidated entities	(103,825)	(112,822)
Distributions by unconsolidated entities	10,039	4,800
Net proceeds from net investment hedge settlements	913	3,933
Proceeds from sales of real property	44,834	21,658
Net cash provided from (used in) investing activities	(580,931)	(932,837)
Financing activities:		
Net increase (decrease) under unsecured credit facility and commercial paper	—	—
Payments to extinguish senior unsecured notes	(1,350,000)	—
Net proceeds from the issuance of secured debt	1,379	362,900
Payments on secured debt	(132,833)	(39,573)
Net proceeds from the issuance of common stock	2,416,484	411,032
Payments for deferred financing costs and prepayment penalties	(6)	(6,444)
Contributions by noncontrolling interests ⁽¹⁾	23,797	83,480
Distributions to noncontrolling interests ⁽¹⁾	(22,591)	(35,664)
Cash distributions to stockholders	(352,184)	(300,195)
Other financing activities	(5,479)	(5,066)
Net cash provided from (used in) financing activities	578,567	470,470
Effect of foreign currency translation on cash and cash equivalents and restricted cash	(2,190)	2,813
Increase (decrease) in cash, cash equivalents and restricted cash	402,252	(83,496)
Cash, cash equivalents and restricted cash at beginning of period	2,076,083	722,292
Cash, cash equivalents and restricted cash at end of period	\$ 2,478,335	\$ 638,796
Supplemental cash flow information:		
Interest paid	\$ 149,007	\$ 148,399
Income taxes paid (received), net	3,259	325

⁽¹⁾ Includes amounts attributable to redeemable noncontrolling interests.

1. Business

Welltower Inc., an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. We invest with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower Inc., a real estate investment trust ("REIT"), owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

We are structured as an umbrella partnership REIT under which substantially all of our business is conducted through Welltower OP LLC, the day-to-day management of which is exclusively controlled by Welltower Inc. Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP. Welltower's weighted average ownership in Welltower OP was 99.745% for the three months ended March 31, 2024. As of March 31, 2024, Welltower owned 99.726% of the issued and outstanding units of Welltower OP, with other investors owning the remaining 0.274% of outstanding units. We adjust the noncontrolling members' interest at the end of each period to reflect their interest in the net assets of Welltower OP.

2. Accounting Policies and Related Matters

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (such as normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2024 are not necessarily an indication of the results that may be expected for the year ending December 31, 2024. For further information, refer to the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

New Accounting Standards

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and disclosures.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")," which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and disclosures.

3. Real Property Acquisitions and Development

The total purchase price for all properties acquired has been allocated to the tangible and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. The results of operations for these acquisitions have been included in our consolidated results of operations since the date of acquisition and are a component of the appropriate segments. Transaction costs primarily represent costs incurred with acquisitions, including due diligence costs, fees for legal and valuation services, termination of pre-existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs. Transaction costs directly related to asset acquisitions are capitalized as a component of purchase price and all other non-capitalizable costs are reflected in other expenses on our Consolidated Statements of Comprehensive Income. Our acquisition of properties are at times subject to earn out provisions based on the future operating performance of the acquired properties, which could result in incremental payments in the future. Our policy is to recognize such contingent consideration when the contingency is resolved and the consideration becomes payable.

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is a summary of our real property investment activity by segment for the periods presented (in thousands):

	Three Months Ended							
	March 31, 2024				March 31, 2023			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Totals	Seniors Housing Operating	Triple-net	Outpatient Medical	Totals
Land and land improvements	\$ 26,691	\$ 710	\$ —	\$ 27,401	\$ 2,517	\$ 7,370	\$ 60,527	\$ 70,414
Buildings and improvements	48,615	253	—	48,868	16,434	74,289	255,706	346,429
Acquired lease intangibles	5,861	—	—	5,861	865	—	39,090	39,955
Right of use assets, net	—	—	—	—	—	—	927	927
Total net real estate assets	81,167	963	—	82,130	19,816	81,659	356,250	457,725
Receivables and other assets	24	—	—	24	234	—	358	592
Total assets acquired	81,191	963	—	82,154	20,050	81,659	356,608	458,317
Secured debt	—	—	—	—	(5,501)	—	(40,953)	(46,454)
Lease liabilities	—	—	—	—	—	—	(953)	(953)
Accrued expenses and other liabilities	(532)	—	—	(532)	(120)	—	(8,071)	(8,191)
Total liabilities acquired	(532)	—	—	(532)	(5,621)	—	(49,977)	(55,598)
Non-cash acquisition related activity ⁽¹⁾	(18,141)	(710)	—	(18,851)	—	—	—	—
Cash disbursed for acquisitions	62,518	253	—	62,771	14,429	81,659	306,631	402,719
Construction in progress additions	165,140	28	83,529	248,697	131,944	4,995	101,609	238,548
Less: Capitalized interest	(11,660)	—	(2,149)	(13,809)	(7,950)	(1,248)	(1,137)	(10,335)
Accruals ⁽²⁾	2,248	72	(5,445)	(3,125)	2,303	—	(4,290)	(1,987)
Cash disbursed for construction in progress	155,728	100	75,935	231,763	126,297	3,747	96,182	226,226
Capital improvements to existing properties	104,812	6,064	21,633	132,509	69,783	4,427	17,129	91,339
Total cash invested in real property, net of cash acquired	<u>\$ 323,058</u>	<u>\$ 6,417</u>	<u>\$ 97,568</u>	<u>\$ 427,043</u>	<u>\$ 210,509</u>	<u>\$ 89,833</u>	<u>\$ 419,942</u>	<u>\$ 720,284</u>

⁽¹⁾ Primarily relates to the acquisition of assets previously financed as real estate loans receivable.

⁽²⁾ Represents non-cash accruals for amounts to be paid in future periods for properties that converted, offset by amounts paid in the current period.

Affinity Living Communities ("Affinity") Acquisition

In February 2024, we entered into a definitive agreement to acquire 25 Seniors Housing Operating properties for a total purchase price of \$969 million, which will be managed under the Affinity brand. The transaction is expected to close in the second quarter of 2024 and will be funded through a combination of cash and the assumption of \$523 million of secured debt, subject to customary closing conditions and lender consents.

Construction Activity

The following is a summary of the construction projects that were placed into service and began generating revenues during the periods presented (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Development projects:		
Seniors Housing Operating	\$ 88,680	\$ 26,712
Outpatient Medical	91,248	9,351
Total development projects	179,928	36,063
Expansion projects	3,083	17,245
Total construction in progress conversions	<u>\$ 183,011</u>	<u>\$ 53,308</u>

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

4. Real Estate Intangibles

The following is a summary of our real estate intangibles, excluding those related to ground leases or classified as held for sale, as of the dates indicated (dollars in thousands):

	March 31, 2024	December 31, 2023
Assets:		
In place lease intangibles	\$ 1,988,594	\$ 2,001,827
Above market tenant leases	66,663	66,663
Lease commissions	103,658	97,980
Gross historical cost	2,158,915	2,166,470
Accumulated amortization	(1,682,328)	(1,651,656)
Net book value	\$ 476,587	\$ 514,814
Liabilities:		
Below market tenant leases	\$ 70,364	\$ 70,364
Accumulated amortization	(49,162)	(47,939)
Net book value	\$ 21,202	\$ 22,425

The following is a summary of real estate intangible amortization income (expense) for the periods presented (in thousands):

	Three Months Ended March 31,	
	2024	2023
Rental income related to (above)/below market tenant leases, net	\$ (31)	\$ 45
Amortization related to in place lease intangibles and lease commissions	(46,791)	(56,151)

5. Dispositions, Real Property Held for Sale and Impairment

We periodically sell properties for various reasons, including favorable market conditions, the exercise of tenant purchase options or reduction of concentrations (i.e., property type, relationship or geography). At March 31, 2024, 21 Seniors Housing Operating properties, one Triple-net property, and four Outpatient Medical properties with an aggregate real estate balance of \$422,225,000 were classified as held for sale. In addition to the real property balances, secured debt balances of \$171,292,000 and net other assets and (liabilities) of \$21,925,000 are included in the Consolidated Balance Sheets related to the held for sale properties. Expected gross sales proceeds related to the held for sale properties are approximately \$611,468,000, which includes non-cash consideration relating to 14 Canadian Revera properties discussed below.

During the three months ended March 31, 2024, we entered into a definitive agreement and subsequently closed on the sale of four Seniors Housing Operating properties. In conjunction with this transaction, an impairment charge of \$23,795,000 was recognized related to two properties. Additionally, we recorded \$15,584,000 of impairment charges related to six Seniors Housing Operating properties classified as held for sale and not yet sold as of March 31, 2024 for which the carrying value exceeded the estimated fair value less costs to sell. Impairment charges of \$3,952,000 related to two Seniors Housing Operating properties classified as held for use for which the carrying value exceeded the estimated fair value were also recognized.

During the three months ended March 31, 2023, we recorded \$12,629,000 of impairment charges related to three Seniors Housing Operating properties classified as held for sale for which the carrying value exceeded the estimated fair value less costs to sell, and one Seniors Housing Operating property classified as held for use for which the carrying value exceeded the estimated fair value.

Operating results attributable to properties sold or classified as held for sale which do not meet the definition of discontinued operations are not reclassified on our Consolidated Statements of Comprehensive Income. We recognized income (loss) from continuing operations before income taxes and other items from properties sold or classified as held for sale as of March 31, 2024 of \$(37,190,000) and \$(14,525,000) for the three months ended March 31, 2024 and 2023, respectively.

The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Real estate dispositions:		
Seniors Housing Operating ⁽¹⁾	\$ 39,985	\$ 18,572
Triple-net	—	2,028
Total dispositions	39,985	20,600
Gain (loss) on real estate dispositions, net	4,707	747
Net other assets/(liabilities) disposed	142	311
Cash proceeds from real estate dispositions	\$ 44,834	\$ 21,658

⁽¹⁾ Dispositions occurring in the three months ended March 31, 2024 include the disposition of an unconsolidated equity method investment that owned six properties.

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Strategic Dissolution of Revera Joint Ventures

During the quarter ended June 30, 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera, while simultaneously selling interests in 31 properties to Revera.

In June 2023, we closed the U.K. portfolio portion of the transaction through the acquisition of the remaining ownership interest in 29 properties previously held in two separate consolidated joint venture structures in which we owned 75% and 90% of the interests in exchange for the disposition to Revera of our interests in four properties. In addition, we received cash from Revera of \$107,341,000 relating to the net settlement of loans previously made to the joint ventures. Operations for the 29 retained properties were transitioned to Avery Healthcare.

Total proceeds related to the four properties disposed were \$222,521,000, which included non-cash consideration from Revera of \$241,728,000, comprised of the fair value of interests received by us of \$198,837,000 and an allocation of Revera's noncontrolling interests of \$42,891,000, partially offset by \$9,049,000 of transaction-related expenses as well as the \$10,158,000 of cash paid to equalize the value exchanged between the parties. We disposed of net real property owned of \$224,208,000, resulting in a loss of \$1,687,000 recognized within gain (loss) on real estate dispositions, net within our Consolidated Statements of Comprehensive Income. Consideration transferred to acquire the additional interests in the 29 properties was comprised of the fair value of interests transferred by us of \$198,837,000 and \$5,776,000 of cash paid for transaction-related expenses. We derecognized \$180,497,000 of noncontrolling interests and \$22,270,000 of liabilities previously due to Revera with an adjustment of \$1,846,000 recognized in capital in excess of par value.

We closed the portion of the transactions predominantly related to the U.S. portfolio during the third quarter of 2023 through (i) the acquisition of the remaining interests in ten properties currently under development or recently developed by Sunrise Senior Living that were previously held within an equity method joint venture owned 34% by us and 66% by Revera, (ii) the disposition of our minority interests in 12 U.S. properties and one Canadian development project and (iii) the disposition of our 34% interest in the Sunrise Senior Living management company. We recorded net real estate investments of \$479,525,000 related to the ten acquired and now consolidated properties, which was comprised of \$31,456,000 of cash consideration and \$448,069,000 of non-cash consideration. Non-cash consideration primarily includes \$270,486,000 of assumed mortgage debt secured by the acquired properties, which was subsequently repaid in full by us immediately following the transaction, \$47,734,000 of carryover investment from our prior 34% equity method ownership interest and \$119,258,000 of fair value interests in the 13 properties transferred by us to Revera. We also derecognized \$56,905,000 of equity method investments related to the 13 properties retained by Revera and recorded a gain on real estate dispositions of \$62,075,000. In conjunction with this transaction, operations for two of the now wholly-owned properties, along with operations for 26 existing wholly-owned properties, transitioned to Oakmont Management Group.

The Canadian portfolio consists of 85 properties in a joint venture owned 75% by us and 25% by Revera. On April 1, 2024, we closed the Canadian portion of the transaction, which included acquiring Revera's interest in 71 properties and selling our interests in the remaining 14 properties. Operations for the 71 retained properties previously transitioned to new operators.

6. Leases

We lease land, buildings, office space and certain equipment. Many of our leases include a renewal option to extend the term from one to 25 years or more. Renewal options that we are reasonably certain to exercise are recognized in our right-of-use assets and lease liabilities.

The components of lease expense were as follows for the periods presented (in thousands):

	Classification	Three Months Ended	
		March 31, 2024	March 31, 2023
Operating lease cost: ⁽¹⁾			
Real estate lease expense	Property operating expenses	\$ 5,693	\$ 5,520
Non-real estate investment lease expense	General and administrative expenses	1,454	1,863
Finance lease cost:			
Amortization of leased assets	Property operating expenses	1,028	2,284
Interest on lease liabilities	Interest expense	651	1,427
Sublease income	Rental income	—	(2,950)
Total		<u>\$ 8,826</u>	<u>\$ 8,144</u>

⁽¹⁾ Includes short-term leases which are immaterial.

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Supplemental balance sheet information related to leases in which we are the lessee is as follows (in thousands):

	Classification	March 31, 2024	December 31, 2023
Right of use assets:			
Operating leases - real estate	Right of use assets, net	\$ 280,941	\$ 283,293
Finance leases - real estate	Right of use assets, net	67,951	67,676
Real estate right of use assets, net		<u>348,892</u>	<u>350,969</u>
Operating leases - non-real estate investments	Receivables and other assets	10,360	11,338
Total right of use assets, net		<u>\$ 359,252</u>	<u>\$ 362,307</u>
Lease liabilities:			
Operating leases		\$ 300,779	\$ 303,553
Finance leases		80,541	79,677
Total		<u>\$ 381,320</u>	<u>\$ 383,230</u>

Substantially all of our operating leases in which we are the lessor contain escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. During the three months ended March 31, 2024, we wrote-off previously recognized straight-line rent receivable balances of \$9,356,000 through a reduction of rental income, which relate to leases for which the collection of substantially all contractual lease payments was no longer probable.

Leases in our Triple-net and Outpatient Medical portfolios recognized under ASC 842, "Leases" (ASC 842), typically include some form of operating expense reimbursement by the tenant. For the three months ended March 31, 2024, we recognized \$417,652,000 of rental income related to operating leases, of which \$56,228,000 was for variable lease payments that primarily represents the reimbursement of operating costs such as common area maintenance expenses, utilities, insurance and real estate taxes. For the three months ended March 31, 2023, we recognized \$384,059,000 of rental income related to operating leases, of which \$53,794,000 was for variable lease payments.

For the majority of our Seniors Housing Operating segment, revenue from resident fees and services is predominantly service-based, and as such, resident agreements are accounted for under ASC 606, "Revenue from Contracts with Customers." Within that reportable segment, we also recognize revenue from residential seniors apartment leases in accordance with ASC 842. The amount of revenue related to these leases was \$130,565,000 and \$108,915,000 for the three months ended March 31, 2024 and 2023, respectively.

7. Loans Receivable

Loans receivable are recorded on our Consolidated Balance Sheets in real estate loans receivable, net of allowance for credit losses, or for non-real estate loans receivable, in receivables and other assets. Real estate loans receivable consists of mortgage loans and other real estate loans, which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment of the partnership interest in, the related properties, as well as corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. Interest income on loans is recognized as earned based upon the principal amount outstanding subject to an evaluation of the risk of credit loss. Accrued interest receivable was \$32,027,000 and \$31,798,000 as of March 31, 2024 and December 31, 2023, respectively, and is included in receivables and other assets on the Consolidated Balance Sheets. The following is a summary of our loans receivable (in thousands):

	March 31, 2024	December 31, 2023
Mortgage loans	\$ 1,067,042	\$ 1,057,516
Other real estate loans	381,347	324,660
Allowance for credit losses on real estate loans receivable	<u>(22,295)</u>	<u>(20,589)</u>
Real estate loans receivable, net of credit allowance	1,426,094	1,361,587
Non-real estate loans	510,433	503,993
Allowance for credit losses on non-real estate loans receivable	<u>(171,971)</u>	<u>(173,874)</u>
Non-real estate loans receivable, net of credit allowance	338,462	330,119
Total loans receivable, net of credit allowance	<u>\$ 1,764,556</u>	<u>\$ 1,691,706</u>

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is a summary of our loan activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Advances on loans receivable	\$ 116,789	\$ 54,831
Less: Receipts on loans receivable	36,472	15,592
Net cash advances (receipts) on loans receivable	\$ 80,317	\$ 39,239

The allowance for credit losses on loans receivable is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of each of these loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of credit quality indicators, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent, and value of the underlying collateral.

A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we will return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance.

For the remaining loans we assess credit loss on a collective pool basis and use our historical loss experience for similar loans to determine the reserve for credit losses. The following is a summary of our loans by credit loss category (in thousands):

Loan category	Years of Origination	March 31, 2024			
		Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2023	\$ 196,210	\$ (169,808)	\$ 26,402	6
Collective loan pool	2010 - 2019	224,831	(3,094)	221,737	16
Collective loan pool	2020	33,300	(458)	32,842	5
Collective loan pool	2021	878,336	(12,288)	866,048	10
Collective loan pool	2022	128,613	(1,770)	126,843	18
Collective loan pool	2023	384,429	(5,291)	379,138	17
Collective loan pool	2024	113,103	(1,557)	111,546	8
Total loans		\$ 1,958,822	\$ (194,266)	\$ 1,764,556	80

During the three months ended March 31, 2024, certain secured and unsecured indebtedness payable by Genesis HealthCare ("Genesis") to us, which has a carrying value of \$197,010,000, was modified to extend the maturity date to June 28, 2024, with no other changes to the terms.

The total allowance for credit losses balance is deemed sufficient to absorb expected losses relating to our loan portfolio. The following is a summary of the allowance for credit losses on loans receivable for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Balance at beginning of period	\$ 194,463	\$ 164,249
Provision for loan losses, net ⁽¹⁾	1,014	777
Purchased deteriorated loan	—	19,077
Loan write-offs	(1,088)	—
Foreign currency translation	(123)	215
Balance at end of period	\$ 194,266	\$ 184,318

⁽¹⁾ Excludes the provision for loan loss on held-to-maturity debt securities.

8. Investments in Unconsolidated Entities

We participate in a number of joint ventures, which generally invest in seniors housing and health care real estate. Our share of the results of operations for these properties has been included in our consolidated results of operations from the date of acquisition by the joint ventures and are reflected in our Consolidated Statements of Comprehensive Income as income or loss from unconsolidated entities. The following is a summary of our investments in unconsolidated entities (dollars in thousands):

	Percentage Ownership ⁽¹⁾	March 31, 2024	December 31, 2023
Seniors Housing Operating	10% to 95%	\$ 1,334,405	\$ 1,248,774
Triple-net	10% to 88%	141,117	147,679
Outpatient Medical	15% to 50%	244,124	240,078
Total		<u>\$ 1,719,646</u>	<u>\$ 1,636,531</u>

⁽¹⁾ As of March 31, 2024 and includes ownership of investments classified as liabilities and excludes ownership of in substance real estate.

At March 31, 2024, the aggregate unamortized basis difference of our joint venture investments of \$143,926,000 is primarily attributable to the difference between the amount for which we purchased our interest in the entity, including transaction costs, and the historical carrying value of the net assets of the joint venture. This difference is being amortized over the remaining useful life of the related properties and included in the reported amount of income from unconsolidated entities.

We have made loans related to 26 properties as of March 31, 2024 for the development and construction of certain properties that have a carrying value of \$870,375,000. We believe that such borrowers typically represent variable interest entities ("VIE" or "VIEs") in accordance with ASC 810, "Consolidation." VIEs are required to be consolidated by their primary beneficiary, which is the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We have concluded that we are not the primary beneficiary of such borrowers, therefore, the loan arrangements were assessed based on, among other factors, the amount and timing of expected residual profits, the estimated fair value of the collateral and the significance of the borrower's equity in the project. Based on these assessments, the arrangements have been classified as in substance real estate investments. We are obligated to fund an additional \$208,631,000 related to these investments.

9. Credit Concentration

We use consolidated net operating income ("NOI") as our credit concentration metric. See Note 18 for additional information and reconciliation. The following table summarizes certain information about our credit concentration for the three months ended March 31, 2024, excluding our share of NOI in unconsolidated entities (dollars in thousands):

Concentration by relationship: ⁽¹⁾	Number of Properties	Total NOI	Percent of NOI ⁽²⁾
Cogir Management Corporation	120	\$ 58,003	8%
Integra Healthcare Properties	147	53,838	7%
Sunrise Senior Living	88	40,674	5%
Avery Healthcare	84	34,994	5%
Oakmont Management Group	64	29,491	4%
Remaining portfolio	1,400	545,828	71%
Totals	<u>1,903</u>	<u>\$ 762,828</u>	<u>100%</u>

⁽¹⁾ Cogir Management Corporation, Sunrise Senior Living and Oakmont Management Group are in our Seniors Housing Operating segment. Integra Healthcare Properties is in our Triple-net segment. Avery Healthcare operates assets in both our Seniors Housing Operating and Triple-net segments.

⁽²⁾ NOI with our top five relationships comprised 26% of total NOI for the year ended December 31, 2023.

10. Borrowings Under Credit Facilities and Commercial Paper Program

At March 31, 2024, we had a primary unsecured credit facility with a consortium of 31 banks that included a \$4,000,000,000 unsecured revolving credit facility, a \$1,000,000,000 unsecured term credit facility and a \$250,000,000 Canadian-denominated unsecured term credit facility. The unsecured revolving credit facility is comprised of a \$1,000,000,000 tranche that matures on June 4, 2026 (none outstanding at March 31, 2024) and a \$3,000,000,000 tranche that matures on June 4, 2025 (none outstanding at March 31, 2024). The term credit facilities mature on July 19, 2026. Each tranche of the revolving facility and term loans may be extended for two successive terms of six months at our option. We have an option, through an accordion feature, to upsize the unsecured revolving credit facility and the \$1,000,000,000 unsecured term credit facility by up to an additional \$1,250,000,000, in the aggregate, and the \$250,000,000 Canadian-denominated unsecured term credit facility by up to an additional \$250,000,000. The primary unsecured credit facility also allows us to borrow up to \$1,000,000,000 in alternate currencies (none outstanding at March 31, 2024). Borrowings under the unsecured revolving credit facility are subject to interest payable at the applicable margin over the secured overnight financing rate ("SOFR") interest rate. Based on our current credit ratings, the loans under the unsecured revolving credit facility currently bear interest at 0.775% over the adjusted SOFR

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rate at March 31, 2024. In addition, we pay a facility fee quarterly to each bank based on the bank's commitment amount. The facility fee depends on our debt ratings and was 0.15% at March 31, 2024.

Under the terms of our commercial paper program, we may issue unsecured commercial paper notes with maturities that vary, but do not exceed 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of \$1,000,000,000 (none outstanding at March 31, 2024).

The following information relates to aggregate borrowings under the unsecured revolving credit facility and commercial paper program for the periods presented (dollars in thousands):

	Three Months Ended March 31,	
	2024	2023
Balance outstanding at quarter end	\$ —	\$ —
Maximum amount outstanding at any month end	\$ —	\$ 205,000
Average amount outstanding (total of daily principal balances divided by days in period)	\$ —	\$ 65,833
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	— %	5.05 %

11. Senior Unsecured Notes and Secured Debt

At March 31, 2024, the annual principal payments due on our debt obligations were as follows (in thousands):

	Senior Unsecured Notes ^(1,2)	Secured Debt ⁽³⁾	Totals
2024	\$ —	\$ 307,236	\$ 307,236
2025	1,260,000	379,484	1,639,484
2026	700,000	152,652	852,652
2027 ^(4,5)	1,906,204	206,191	2,112,395
2028 ⁽⁶⁾	2,480,035	105,956	2,585,991
Thereafter ⁽⁷⁾	5,981,850	919,257	6,901,107
Total principal balance	12,328,089	2,070,776	14,398,865
Unamortized discounts and premiums, net	(25,740)	—	(25,740)
Unamortized debt issuance costs, net	(68,869)	(19,014)	(87,883)
Fair value adjustments and other, net	(61,567)	(18,530)	(80,097)
Total carrying value of debt	\$ 12,171,913	\$ 2,033,232	\$ 14,205,145

⁽¹⁾ Annual interest rates range from 2.05% to 6.50%. The ending weighted average interest rate, after considering the effects of interest rate swaps, was 3.94% and 4.06% as of March 31, 2024 and March 31, 2023, respectively.

⁽²⁾ All senior unsecured notes with the exception of the \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued by Welltower OP and are fully and unconditionally guaranteed by Welltower. The \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 have been issued through private placement by a wholly-owned subsidiary of Welltower OP and are fully and unconditionally guaranteed by Welltower OP.

⁽³⁾ Annual interest rates range from 1.25% to 8.13%. The ending weighted average interest rate, after considering the effects of interest rate swaps and caps, was 4.62% and 4.55% as of March 31, 2024 and March 31, 2023, respectively. Gross real property value of the properties securing the debt totaled \$5,432,108,000 at March 31, 2024.

⁽⁴⁾ Includes a \$1,000,000,000 unsecured term loan and a \$250,000,000 Canadian-denominated unsecured term loan (approximately \$184,638,000 based on the Canadian/U.S. Dollar exchange rate on March 31, 2024). Both term loans mature on July 19, 2026 and may be extended for two successive terms of six months at our option. The loans bear interest at adjusted SOFR plus 0.85% (6.28% at March 31, 2024) and Canadian Dealer Offered Rate plus 0.85% (6.14% at March 31, 2024), respectively.

⁽⁵⁾ Includes a \$300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 (approximately \$221,566,000 based on the Canadian/U.S. Dollar exchange rate on March 31, 2024).

⁽⁶⁾ Includes a £550,000,000 4.80% senior unsecured notes due 2028 (approximately \$695,035,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on March 31, 2024).

⁽⁷⁾ Includes a £500,000,000 4.50% senior unsecured notes due 2034 (approximately \$631,850,000 based on the Pounds Sterling/U.S. Dollar exchange rate in effect on March 31, 2024).

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The following is a summary of our senior unsecured notes principal activity during the periods presented (dollars in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Beginning balance	\$ 13,699,619	\$ 12,584,529
Debt extinguished	(1,350,000)	—
Foreign currency	(21,530)	30,870
Ending balance	<u>\$ 12,328,089</u>	<u>\$ 12,615,399</u>

Welltower, the parent entity that consolidates Welltower OP and all other subsidiaries, fully and unconditionally guarantees to each holder of all series of senior unsecured notes issued by Welltower OP that the principal of and premium, if any, and interest on the notes will be promptly paid in full when due, whether at the applicable maturity date, by acceleration or redemption or otherwise, and interest on the overdue principal of and interest on the notes, if any, if lawful, and all other obligations of Welltower OP to the holders of the notes will be promptly paid in full or performed. Welltower's guarantees of such notes are its senior unsecured obligation and rank equally with all of Welltower's other future unsecured senior indebtedness and guarantees from time to time outstanding. Welltower's guarantees of such notes are effectively subordinated to all liabilities of its subsidiaries and to its secured indebtedness to the extent of the assets securing such indebtedness. Because Welltower conducts substantially all of its business through its subsidiaries, Welltower's ability to make required payments with respect to the guarantees depends on the financial results and condition of its subsidiaries and its ability to receive funds from its subsidiaries, whether by dividends, loans, distributions or other payments.

We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, subject to certain contractual restrictions, at a redemption price equal to the sum of: (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any "make-whole" amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Exchangeable Senior Unsecured Notes

In May 2023, Welltower OP issued \$1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028 (the "Exchangeable Notes") unless earlier exchanged, purchased or redeemed. The Exchangeable Notes will pay interest semi-annually in arrears on May 15 and November 15 of each year. We recognized contractual interest expense on the Exchangeable Notes of approximately \$7,116,000 for the three months ended March 31, 2024. Additionally, amortization of related issuance costs for the three months ended March 31, 2024 were \$1,165,000. Unamortized issuance costs were \$19,125,000 as of March 31, 2024 and \$20,245,000 as of December 31, 2023.

The following is a summary of our secured debt principal activity for the periods presented (dollars in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Beginning balance	\$ 2,222,445	\$ 2,129,954
Debt issued	1,379	362,900
Debt assumed	—	53,223
Debt extinguished	(120,946)	(24,631)
Principal payments	(11,887)	(14,942)
Foreign currency	(20,215)	304
Ending balance	<u>\$ 2,070,776</u>	<u>\$ 2,506,808</u>

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2024, we were in compliance in all material respects with all of the covenants under our debt agreements.

12. Derivative Instruments

We are exposed to, among other risks, the impact of changes in foreign currency exchange rates as a result of our non-U.S. investments and interest rate risk related to our capital structure. Our risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes foreign currency forward contracts, cross currency swap contracts, interest rate swaps, interest rate locks and debt issued in foreign currencies to offset a portion of these risks.

Cash Flow Hedges and Fair Value Hedges of Interest Rate Risk

We enter into interest rate swaps in order to maintain a capital structure containing targeted amounts of fixed and floating-rate debt and manage interest rate risk. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our fixed-rate payments. These interest rate swap agreements are used to hedge the variable cash flows associated with variable-rate debt.

Interest rate swaps designated as fair value hedges involve the receipt of fixed amounts from a counterparty in exchange for our variable-rate payments. These interest rate swap agreements hedge the exposure to changes in the fair value of fixed-rate debt attributable to changes in the designated benchmark interest rate. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in earnings. We record the gain or loss on the hedged items in interest expense, the same line item as the offsetting loss or gain on the related interest rate swaps. In March 2022, we entered into a \$550,000,000 fixed to floating swap in connection with our March 2022 senior note issuance. This swap was terminated in January 2024 resulting in a loss of \$(59,555,000). As of March 31, 2024, the unamortized loss amount was \$(58,066,000). In January 2024, we entered into a \$550,000,000 forward-starting fixed to floating swap which converts a portion of cash flows on our \$750,000,000 2.8% senior unsecured notes to floating rate. The swap is effective beginning in June 2025 and matures in December 2030. As of March 31, 2024, the carrying amount of the notes, exclusive of the hedge, is \$742,892,000. The fair value of the swap as of March 31, 2024 was \$(3,501,000) and was recorded as a derivative liability with an offset to senior unsecured notes on our Consolidated Balance Sheets.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into earnings over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately recognized in the Consolidated Statements of Comprehensive Income. Approximately \$2,562,000 of losses, which are included in other comprehensive income ("OCI"), are expected to be reclassified into earnings in the next 12 months.

Cash flows from derivatives accounted for as a fair value or cash flow hedge are classified in the same category as the cash flows from the items being hedged in the Consolidated Statement of Cash Flows.

Foreign Currency Forward Contracts and Cross Currency Swap Contracts Designated as Net Investment Hedges

We use foreign currency forward and cross currency forward swap contracts to hedge a portion of the net investment in foreign subsidiaries against fluctuations in foreign exchange rates. For instruments that are designated and qualify as net investment hedges, the variability in the foreign currency to U.S. Dollar of the instrument is recorded as a cumulative translation adjustment component of OCI.

During the three months ended March 31, 2024 and 2023, we settled certain net investment hedges generating cash proceeds of \$608,000 and \$1,994,000, respectively. The balance of the cumulative translation adjustment will be reclassified to earnings if the hedged investment is sold or substantially liquidated.

Derivative Contracts Undesignated

We use foreign currency exchange contracts to manage existing exposures to foreign currency exchange risk. Gains and losses resulting from the changes in fair value of these instruments are recorded in interest expense on the Consolidated Statements of Comprehensive Income and are substantially offset by net revaluation impacts on foreign currency denominated balance sheet exposures.

Equity Warrants

We received equity warrants through our lending activities, which were accounted for as loan origination fees. The warrants provide us the right to participate in the capital appreciation of the underlying HC-One Group real estate portfolio above a designated price upon liquidation and contain net settlement terms qualifying as derivatives under ASC Topic 815. The warrants are classified within receivables and other assets on our Consolidated Balance Sheets. These warrants are measured at fair value with changes in fair value being recognized within loss (gain) on derivatives and financial instruments in our Consolidated Statements of Comprehensive Income.

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The following presents the notional amount of derivatives and other financial instruments as of the dates indicated (in thousands):

	March 31, 2024	December 31, 2023
Derivatives designated as net investment hedges:		
Denominated in Canadian Dollars	\$ 2,600,000	\$ 2,025,000
Denominated in Pound Sterling	£ 1,660,708	£ 1,660,708
Financial instruments designated as net investment hedges:		
Denominated in Canadian Dollars	\$ 250,000	\$ 250,000
Denominated in Pound Sterling	£ 1,050,000	£ 1,050,000
Interest rate swaps and caps designated as cash flow hedges:		
Denominated in U.S Dollars ⁽¹⁾	\$ 522,601	\$ 872,601
Interest rate swaps designated as fair value hedges:		
Denominated in U.S Dollars	\$ 550,000	\$ 550,000
Derivative instruments not designated:		
Foreign currency exchange contracts denominated in Canadian Dollars	\$ 80,000	\$ 80,000

⁽¹⁾ At March 31, 2024, the maximum maturity date was September 1, 2028.

The following presents the impact of derivative instruments on the Consolidated Statements of Comprehensive Income for the periods presented (in thousands):

Description	Location	Three Months Ended March 31,	
		2024	2023
Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	\$ 4,818	\$ 4,619
Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	\$ 1,301	\$ (254)
Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments, net	\$ 3,054	\$ (885)
Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	\$ 60,615	\$ (69,738)

13. Commitments and Contingencies

At March 31, 2024, we had 23 outstanding letter of credit obligations totaling \$51,922,000 and expiring between 2024 and 2025. At March 31, 2024, we had outstanding construction in progress of \$1,342,410,000 and were committed to providing additional funds of approximately \$859,450,000 to complete construction. Additionally, at March 31, 2024, we had outstanding investments classified as in substance real estate of \$870,375,000 and were committed to provide additional funds of \$208,631,000 (see Note 8 for additional information). Purchase obligations at March 31, 2024 also include \$34,926,000 of contingent purchase obligations to fund capital improvements. Rents due from the tenants are increased to reflect the additional investment in the property.

14. Stockholders' Equity

The following is a summary of our stockholders' equity capital accounts as of the dates indicated:

	March 31, 2024	December 31, 2023
Preferred Stock, \$1.00 par value:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, \$1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	592,731,080	566,001,632
Outstanding shares	590,934,192	564,241,181

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Common Stock

In February 2024, we entered into an equity distribution agreement whereby we can offer and sell up to \$3,500,000,000 aggregate amount of our common stock ("ATM Program"). Our prior equity distribution agreement dated August 1, 2023, allowing us to sell up to \$4,000,000,000 aggregate amount of our common stock, was terminated as a result. The ATM Program also allows us to enter into forward sale agreements (none outstanding at March 31, 2024). As of March 31, 2024, we had \$1,519,557,000 of remaining capacity under the ATM Program. During April 2024, we sold 6,497,030 shares of common stock under our ATM Program.

The following is a summary of our common stock issuances during the three months ended March 31, 2024 and 2023 (dollars in thousands, except shares and average price amounts):

	Shares Issued	Average Price	Gross Proceeds	Net Proceeds
2023 ATM Program issuances	5,603,161	\$ 73.74	\$ 413,157	\$ 411,032
2023 Redemption of OP Units and DownREIT Units	271,997		—	—
2023 Stock incentive plans, net of forfeitures	(89,579)		—	—
2023 Totals	<u>5,785,579</u>		<u>\$ 413,157</u>	<u>\$ 411,032</u>
2024 Option exercises	122	\$ 73.77	\$ 9	\$ 9
2024 ATM Program issuances	26,611,694	91.22	2,427,464	2,416,475
2024 Redemption of OP Units and DownREIT Units	19,129		—	—
2024 Stock incentive plans, net of forfeitures	62,066		—	—
2024 Totals	<u>26,693,011</u>		<u>\$ 2,427,473</u>	<u>\$ 2,416,484</u>

Dividends

The following is a summary of our dividend payments (in thousands, except per share amounts):

	Three Months Ended			
	March 31, 2024		March 31, 2023	
	Per Share	Amount	Per Share	Amount
Common stock	\$ 0.61	\$ 352,529	\$ 0.61	\$ 301,829

Accumulated Other Comprehensive Income

The following is a summary of accumulated other comprehensive income (loss) as of the dates presented (in thousands):

	March 31, 2024	December 31, 2023
Foreign currency translation	\$ (991,967)	\$ (913,675)
Derivative and financial instruments designated as hedges	811,130	750,515
Total accumulated other comprehensive income (loss)	<u>\$ (180,837)</u>	<u>\$ (163,160)</u>

15. Stock Incentive Plans

In March 2022, our Board of Directors approved the 2022 Long-Term Incentive Plan ("2022 Plan"), which authorizes up to 10,000,000 shares of common stock or units to be issued at the discretion of the Compensation Committee of the Board of Directors. Awards granted after March 28, 2022 are issued out of the 2022 Plan. The awards granted under the 2016 Long-Term Incentive Plan continue to vest and options expire ten years from the date of grant. Our non-employee directors, officers and key employees are eligible to participate in the 2022 Plan. The 2022 Plan allows for the issuance of, among other things, stock options, stock appreciation rights, restricted stock units, deferred stock units, performance units and dividend equivalent rights. Vesting periods for options, deferred stock units and restricted stock units generally range from three to five years. Options expire ten years from the date of grant. Stock-based compensation expense totaled \$12,048,000 and \$9,456,000 for the three months ended March 31, 2024 and 2023, respectively.

16. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended March 31,	
	2024	2023
Numerator for basic earnings per share - net income (loss) attributable to common stockholders	\$ 127,146	\$ 25,673
Adjustment for net income (loss) attributable to OP Units and DownREIT Units	(325)	(10)
Numerator for diluted earnings per share	\$ 126,821	\$ 25,663
Denominator for basic earnings per share - weighted average shares	574,049	492,061
Effect of dilutive securities:		
Employee stock options	69	4
Non-vested restricted shares and units	1,061	613
OP Units and DownREIT Units	2,329	1,786
Employee stock purchase program	22	30
Dilutive potential common shares	3,481	2,433
Denominator for diluted earnings per share - adjusted weighted average shares	577,530	494,494
Basic earnings per share	\$ 0.22	\$ 0.05
Diluted earnings per share	\$ 0.22	\$ 0.05

The Exchangeable Notes were not included in the computation of diluted earnings per share as they were anti-dilutive for the three months ended March 31, 2024.

17. Disclosure about Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy exists for disclosures of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Please see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information. The three levels are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Mortgage Loans, Other Real Estate Loans and Non-real Estate Loans Receivable — The fair value of mortgage loans, other real estate loans and non-real estate loans receivable is generally estimated by using Level 2 and Level 3 inputs such as discounting the estimated future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Cash and Cash Equivalents and Restricted Cash — The carrying amount approximates fair value.

Equity Warrants — The fair value of equity warrants is estimated using Level 3 inputs and includes data points such as enterprise value of the underlying HC-One Group real estate portfolio, marketability discount for private company warrants, dividend yield, volatility and risk-free rate. The enterprise value is driven by projected cash flows, weighted average cost of capital and a terminal capitalization rate.

Borrowings Under Primary Unsecured Credit Facility and Commercial Paper Program — The carrying amount of the primary unsecured credit facility and commercial paper program approximates fair value because the borrowings are interest rate adjustable.

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Senior Unsecured Notes — The fair value of the senior unsecured notes payable is estimated based on Level 1 publicly available trading prices. The carrying amount of the variable rate senior unsecured notes approximates fair value because they are interest rate adjustable.

Secured Debt — The fair value of fixed rate secured debt is estimated using Level 2 inputs by discounting the estimated future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities. The carrying amount of variable rate secured debt approximates fair value because the borrowings are interest rate adjustable.

Foreign Currency Forward Contracts, Interest Rate Swaps and Cross Currency Swaps — Foreign currency forward contracts, interest rate swaps and cross currency swaps are recorded in other assets or other liabilities on the balance sheet at fair value that is derived from Level 2 observable market data, including yield curves and foreign exchange rates.

Redeemable DownREIT Unitholder Interests — Our redeemable DownREIT Unitholder interests are recorded on the balance sheet at fair value using Level 2 inputs unless the fair value is below the initial amount, in which case the redeemable DownREIT Unitholder interests are recorded at the initial amount adjusted for distributions to the unitholders and income or loss attributable to the unitholders. The fair value is measured using the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, one share of our common stock per unit, subject to adjustment in certain circumstances.

The carrying amounts and estimated fair values of our financial instruments are as follows (in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Mortgage loans receivable	\$ 1,052,156	\$ 1,080,321	\$ 1,043,252	\$ 1,105,260
Other real estate loans receivable	373,938	384,721	318,335	319,905
Cash and cash equivalents	2,388,488	2,388,488	1,993,646	1,993,646
Restricted cash	89,847	89,847	82,437	82,437
Non-real estate loans receivable	338,462	324,132	330,119	312,985
Foreign currency forward contracts, interest rate swaps and cross currency swaps	50,127	50,127	37,118	37,118
Equity warrants	38,511	38,511	35,772	35,772
Financial liabilities:				
Senior unsecured notes	\$ 12,171,913	\$ 11,787,206	\$ 13,552,222	\$ 13,249,247
Secured debt	2,033,232	1,986,736	2,183,327	2,144,059
Foreign currency forward contracts, interest rate swaps and cross currency swaps	19,261	19,261	96,023	96,023
Redeemable DownREIT Unitholder interests	\$ 80,754	\$ 80,754	\$ 77,928	\$ 77,928

Items Measured at Fair Value on a Recurring Basis

The market approach is utilized to measure fair value for our financial assets and liabilities reported at fair value on a recurring basis. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The following summarizes items measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements as of March 31, 2024			
	Total	Level 1	Level 2	Level 3
Equity warrants	\$ 38,511	\$ —	\$ —	\$ 38,511
Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) ⁽¹⁾	30,866	—	30,866	—
Totals	<u>\$ 69,377</u>	<u>\$ —</u>	<u>\$ 30,866</u>	<u>\$ 38,511</u>

⁽¹⁾Please see Note 12 for additional information.

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The following table summarizes the change in fair value for equity warrants using unobservable Level 3 inputs for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Beginning balance	\$ 35,772	\$ 30,436
Mark-to-market adjustment	3,054	(885)
Foreign currency	(315)	718
Ending balance	<u>\$ 38,511</u>	<u>\$ 30,269</u>

The most significant assumptions utilized in the valuation of the equity warrants are the cash flows of the underlying HC-One Group enterprise, as well as the terminal capitalization rate which was 10.0% and 10.5% at March 31, 2024 and 2023, respectively.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, we also have assets and liabilities in our balance sheet that are measured at fair value on a nonrecurring basis that are not included in the tables above. Assets, liabilities and noncontrolling interests that are measured at fair value on a nonrecurring basis include those acquired, exchanged or assumed. Asset impairments (if applicable, see Note 5 for impairments of real property and Note 7 for impairments of loans receivable) are also measured at fair value on a nonrecurring basis. We have determined that the fair value measurements included in each of these assets and liabilities rely primarily on company-specific inputs and our assumptions about the use of the assets and settlement of liabilities, as observable inputs are not available. As such, we have determined that each of these fair value measurements generally resides within Level 3 of the fair value hierarchy. We estimate the fair value of real estate and related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also consider local and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair value. We estimate the fair value of assets held for sale based on current sales price expectations or, in the absence of such price expectations, Level 3 inputs described above. We estimate the fair value of loans receivable using projected payoff valuations based on the expected future cash flows and/or the estimated fair value of collateral, net of sales costs, if the repayment of the loan is expected to be provided solely by the collateral. We estimate the fair value of secured debt assumed in asset acquisitions using current interest rates at which similar borrowings could be obtained on the transaction date.

18. Segment Reporting

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three operating segments: Seniors Housing Operating, Triple-net and Outpatient Medical. Our Seniors Housing Operating properties include seniors apartments, assisted living, independent living/continuing care retirement communities, independent supportive living communities (Canada), care homes with and without nursing (U.K.) and combinations thereof that are generally owned and/or operated through RIDEA structures (see Note 19). Our Triple-net properties include the property types described above as well as long-term/post-acute care facilities. Under the Triple-net segment, we invest in seniors housing and health care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are not involved in the management of the property. Our Outpatient Medical properties are typically leased to multiple tenants and generally require a certain level of property management by us.

We evaluate performance based upon consolidated NOI of each segment. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. We believe NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties.

Non-segment revenue consists mainly of interest income on cash investments recorded in other income. Non-segment assets consist of corporate assets including cash, deferred loan expenses and corporate offices and equipment among others. Non-property specific revenues and expenses are not allocated to individual segments in determining NOI.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023). The results of operations for all acquisitions described in Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. All inter-segment transactions are eliminated.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summary information for the reportable segments (which excludes unconsolidated entities) is as follows (in thousands):

<u>Three Months Ended March 31, 2024</u>	Seniors Housing Operating	Triple-net	Outpatient Medical	Non- segment/Corporate	Total
Resident fees and services	\$ 1,360,274	\$ —	\$ —	\$ —	\$ 1,360,274
Rental income	—	221,744	195,908	—	417,652
Interest income	5,023	46,789	852	—	52,664
Other income	1,463	1,199	2,402	24,087	29,151
Total revenues	<u>1,366,760</u>	<u>269,732</u>	<u>199,162</u>	<u>24,087</u>	<u>1,859,741</u>
Property operating expenses	<u>1,019,347</u>	<u>10,817</u>	<u>62,463</u>	<u>4,286</u>	<u>1,096,913</u>
Consolidated net operating income (loss)	347,413	258,915	136,699	19,801	762,828
Depreciation and amortization	236,796	62,535	66,532	—	365,863
Interest expense	11,186	358	1,718	134,056	147,318
General and administrative expenses	—	—	—	53,318	53,318
Loss (gain) on derivatives and financial instruments, net	—	(3,054)	—	—	(3,054)
Loss (gain) on extinguishment of debt, net	6	—	—	—	6
Provision for loan losses, net	1,568	(567)	13	—	1,014
Impairment of assets	43,331	—	—	—	43,331
Other expenses	8,757	1,205	609	3,560	14,131
Income (loss) from continuing operations before income taxes and other items	45,769	198,438	67,827	(171,133)	140,901
Income tax (expense) benefit	—	—	—	(6,191)	(6,191)
Income (loss) from unconsolidated entities	(4,267)	(3,153)	(363)	—	(7,783)
Gain (loss) on real estate dispositions, net	4,602	26	79	—	4,707
Income (loss) from continuing operations	<u>46,104</u>	<u>195,311</u>	<u>67,543</u>	<u>(177,324)</u>	<u>131,634</u>
Net income (loss)	<u>\$ 46,104</u>	<u>\$ 195,311</u>	<u>\$ 67,543</u>	<u>\$ (177,324)</u>	<u>\$ 131,634</u>
Total assets	\$ 25,009,470	\$ 9,883,758	\$ 7,414,657	\$ 2,245,700	\$ 44,553,585

<u>Three Months Ended March 31, 2023</u>	Seniors Housing Operating	Triple-net	Outpatient Medical	Non- segment/Corporate	Total
Resident fees and services	\$ 1,131,685	\$ —	\$ —	\$ —	\$ 1,131,685
Rental income	—	202,419	181,640	—	384,059
Interest income	2,551	33,763	91	—	36,405
Other income	2,445	1,883	3,100	1,152	8,580
Total revenues	<u>1,136,681</u>	<u>238,065</u>	<u>184,831</u>	<u>1,152</u>	<u>1,560,729</u>
Property operating expenses	<u>883,784</u>	<u>11,723</u>	<u>58,365</u>	<u>3,881</u>	<u>957,753</u>
Consolidated net operating income (loss)	252,897	226,342	126,466	(2,729)	602,976
Depreciation and amortization	220,407	54,528	64,177	—	339,112
Interest expense	11,487	(15)	4,104	128,827	144,403
General and administrative expenses	—	—	—	44,371	44,371
Loss (gain) on derivatives and financial instruments, net	—	930	—	—	930
Loss (gain) on extinguishment of debt, net	—	—	5	—	5
Provision for loan losses, net	(73)	850	—	—	777
Impairment of assets	12,629	—	—	—	12,629
Other expenses	17,579	2,467	547	2,152	22,745
Income (loss) from continuing operations before income taxes and other items	(9,132)	167,582	57,633	(178,079)	38,004
Income tax (expense) benefit	—	—	—	(3,045)	(3,045)
Income (loss) from unconsolidated entities	(15,589)	8,432	86	—	(7,071)
Gain (loss) on real estate dispositions, net	833	520	(606)	—	747
Income (loss) from continuing operations	<u>(23,888)</u>	<u>176,534</u>	<u>57,113</u>	<u>(181,124)</u>	<u>28,635</u>
Net income (loss)	<u>\$ (23,888)</u>	<u>\$ 176,534</u>	<u>\$ 57,113</u>	<u>\$ (181,124)</u>	<u>\$ 28,635</u>

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Our portfolio of properties and other investments are located in the United States, the United Kingdom and Canada. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for the periods presented (dollars in thousands):

	Three Months Ended			
	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Revenues:				
United States	\$ 1,546,896	83.2 %	\$ 1,296,022	83.0 %
United Kingdom	161,508	8.7 %	147,876	9.5 %
Canada	151,337	8.1 %	116,831	7.5 %
Total	<u>\$ 1,859,741</u>	<u>100.0 %</u>	<u>\$ 1,560,729</u>	<u>100.0 %</u>

	Three Months Ended			
	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Resident Fees and Services:				
United States	\$ 1,097,339	80.7 %	\$ 908,944	80.4 %
United Kingdom	116,879	8.6 %	109,012	9.6 %
Canada	146,056	10.7 %	113,729	10.0 %
Total	<u>\$ 1,360,274</u>	<u>100.0 %</u>	<u>\$ 1,131,685</u>	<u>100.0 %</u>

	As of			
	March 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Assets:				
United States	\$ 37,428,967	84.0 %	\$ 36,929,186	83.9 %
United Kingdom	3,526,025	7.9 %	3,587,230	8.2 %
Canada	3,598,593	8.1 %	3,495,750	7.9 %
Total	<u>\$ 44,553,585</u>	<u>100.0 %</u>	<u>\$ 44,012,166</u>	<u>100.0 %</u>

19. Income Taxes and Distributions

We elected to be taxed as a REIT commencing with our first taxable year. To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, basis differences in acquisitions, recording of impairments, differing useful lives and depreciation and amortization methods for real property and the provision for loan losses for reporting purposes versus bad debt expense for tax purposes.

Under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 (“RIDEA”), for taxable years beginning after July 30, 2008, a REIT may lease “qualified health care properties” on an arm’s-length basis to a taxable REIT subsidiary (“TRS”) if the property is operated on behalf of such TRS by a person who qualifies as an “eligible independent contractor.” Generally, the rent received from the TRS will meet the related party rent exception and will be treated as “rents from real property.” A “qualified health care property” includes real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients. We have entered into various joint ventures that were structured under RIDEA. Resident level rents and related operating expenses for these facilities are reported in the unaudited consolidated financial statements and are subject to federal and state income taxes as the operations of such facilities are included in TRS entities. Certain net operating loss carryforwards could be utilized to offset taxable income in future years.

Income taxes reflected in the financial statements primarily represents U.S. federal, state and local income taxes as well as non-U.S. income based or withholding taxes on certain investments located in jurisdictions outside the U.S. The provision for income taxes for the three months ended March 31, 2024 and 2023 was primarily due to operating income or losses, offset by certain discrete items at our TRS entities. In 2014, we established certain wholly-owned direct and indirect subsidiaries in Luxembourg and Jersey and transferred interests in certain foreign investments into this holding company structure. The structure includes a property holding company that is tax resident in the United Kingdom. No material adverse current tax consequences in Luxembourg, Jersey or the United Kingdom resulted from the creation of this holding company structure and most of the subsidiary entities in the structure are treated as disregarded entities of the company for U.S. federal income tax purposes. Subsequent to 2014, we transferred certain subsidiaries to the United Kingdom, while some wholly-owned direct and indirect subsidiaries remain in Luxembourg and Jersey. The company reflects current and deferred tax liabilities for any such

WELLTOWER INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

withholding taxes incurred from this holding company structure in its consolidated financial statements. Generally, given current statutes of limitations, we are subject to audit by the foreign, federal, state and local taxing authorities under applicable local laws.

The Organization for Economic Co-operation and Development has proposed a global minimum tax of 15% of reported profits ("Pillar 2") that has been agreed upon in principle by over 140 countries. During 2023, many countries incorporated Pillar 2 model rules into their laws and will continue to do so in 2024. The model rules provide a framework for applying the minimum tax and some countries have adopted Pillar 2 effective January 1, 2024; however, countries must individually enact Pillar 2 which may result in variation in the application of the model rules and timelines. We continue to evaluate the potential consequences of Pillar 2 on our longer-term financial position.

20. Variable Interest Entities

We have entered into joint ventures and have certain subsidiaries that are either wholly owned by us or by consolidated joint ventures which own real estate investments and are deemed to be VIEs. Our VIEs primarily hold real estate assets within our Seniors Housing Operating and Triple-net portfolios, the nature and risk of which are consistent with our overall portfolio. We have concluded that we are the primary beneficiary of these VIEs based on a combination of operational control of the entities and the rights to receive residual returns or the obligation to absorb losses arising from the entities. Except for capital contributions associated with the initial entity formations, the entities have been and are expected to be funded from the ongoing operations of the underlying properties. Accordingly, such entities have been consolidated, and the table below summarizes the balance sheets of consolidated VIEs in the aggregate (in thousands):

	March 31, 2024		December 31, 2023
Assets:			
Net real estate investments	\$ 3,238,405	\$	3,277,741
Cash and cash equivalents	20,675		19,529
Receivables and other assets	56,433		43,513
Total assets ⁽¹⁾	<u>\$ 3,315,513</u>	\$	<u>3,340,783</u>
Liabilities and equity:			
Secured debt	\$ 66,703	\$	76,507
Lease liabilities	2,538		2,539
Accrued expenses and other liabilities	15,260		13,850
Total equity	3,231,012		3,247,887
Total liabilities and equity	<u>\$ 3,315,513</u>	\$	<u>3,340,783</u>

⁽¹⁾ Note that assets of the consolidated VIEs can only be used to settle obligations relating to such VIEs. Liabilities of the consolidated VIEs represent claims against the specific assets of the VIEs and VIE's creditors do not have recourse to Welltower.

We recognized revenues from consolidated VIEs in the aggregate of \$109,930,000 and \$49,784,000 for the three months ended March 31, 2024 and 2023, respectively.

In addition, we have certain entities that qualify as unconsolidated VIEs including borrowers of loans receivable and in substance real estate investments. Our maximum exposure on these entities is limited to the net carrying value of the investments. Refer to Note 7 and Note 8 for additional details.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with the Consolidated Financial Statements and related Notes thereto included in Item 1 of this Quarterly Report on Form 10-Q. Other important factors are identified in our Annual Report on Form 10-K for the year ended December 31, 2023, including factors identified under the headings "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We are structured as an umbrella partnership REIT under which substantially all of our business is conducted through Welltower OP LLC, the day-to-day management of which is exclusively controlled by Welltower Inc. Welltower Inc. has no material assets or liabilities other than its investment in Welltower OP LLC. Welltower OP LLC is the borrower under, and Welltower Inc. is the guarantor of, all of the unsecured notes described in Note 11 to our unaudited consolidated financial statements.

Unless stated otherwise or the context otherwise requires, references to "Welltower" mean Welltower Inc. and references to "Welltower OP" mean Welltower OP LLC. References to "we," "us" and "our" mean collectively Welltower, Welltower OP and those entities/subsidiaries owned or controlled by Welltower and/or Welltower OP.

Executive Summary

Company Overview

Welltower Inc. (NYSE:WELL), a real estate investment trust ("REIT") and S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. Welltower invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower owns interests in properties concentrated in major, high-growth markets in the United States ("U.S."), Canada and the United Kingdom ("U.K."), consisting of seniors housing and post-acute communities and outpatient medical properties.

Welltower is the initial member and majority owner of Welltower OP, with an approximate ownership interest of 99.726% as of March 31, 2024. All of our property ownership, development and related business operations are conducted through Welltower OP and Welltower has no material assets or liabilities other than its investment in Welltower OP. Welltower issues equity from time to time, the net proceeds of which it is obligated to contribute as additional capital to Welltower OP. All debt including credit facilities, senior notes and secured debt is incurred by Welltower OP and its subsidiaries, and Welltower has fully and unconditionally guaranteed all existing senior unsecured notes.

The following table summarizes our consolidated portfolio for the three months ended March 31, 2024 (dollars in thousands):

Type of Property	NOI ⁽¹⁾	Percentage of NOI	Number of Properties
Seniors Housing Operating	\$ 347,413	46.8 %	918
Triple-net	258,915	34.8 %	613
Outpatient Medical	136,699	18.4 %	372
Totals	\$ 743,027	100.0 %	1,903

⁽¹⁾ Represents consolidated NOI and excludes our share of investments in unconsolidated entities. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount. See "Non-GAAP Financial Measures" below for additional information and reconciliation.

Business Strategy

Our primary objectives are to protect stockholder capital and enhance stockholder value. We seek to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments to stockholders as a result of annual increases in NOI and portfolio growth. To meet these objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, relationship and geographic location.

Substantially all of our revenues are derived from operating lease rentals, resident fees and services, interest earned on outstanding loans receivable and interest earned on short-term deposits. These items represent our primary sources of liquidity to fund distributions and depend upon the continued ability of our obligors to make contractual rent and interest payments to us and the profitability of our operating properties. To the extent that our obligors/partners experience operating difficulties and become unable to generate sufficient cash to make payments or operating distributions to us, there could be a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

To mitigate this risk, we monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs and market conditions among other things. We evaluate the operating environment in each

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

property's market to determine the likely trend in operating performance of the facility. When we identify unacceptable trends, we seek to mitigate, eliminate or transfer the risk. Through these efforts, we generally aim to intervene at an early stage to address any negative trends, and in so doing, support both the collectability of revenue and the value of our investment.

In addition to our asset management and research efforts, we aim to structure our relevant investments to mitigate payment risk. Operating leases and loans are normally credit enhanced by guarantees and/or letters of credit. Also, operating leases are typically structured as master leases and loans are generally cross-defaulted and cross-collateralized with other real estate loans, operating leases or agreements between us and the obligor and its affiliates.

For the three months ended March 31, 2024, resident fees and services and rental income represented 73% and 22%, respectively, of total revenues. Substantially all of our operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Our yield on loans receivable depends upon a number of factors, including the stated interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

Our primary sources of cash include resident fees and services, rent and interest receipts, interest earned on short-term deposits, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash.

We also continuously evaluate opportunities to finance future investments. New investments are generally funded from temporary borrowings under our unsecured revolving credit facility and commercial paper program, internally generated cash and the proceeds from investment dispositions. Our investments generate cash from NOI and principal payments on loans receivable. Permanent financing for future investments, which replaces funds drawn under our unsecured revolving credit facility and commercial paper program, has historically been provided through a combination of the issuance of public debt and equity securities and the incurrence or assumption of secured debt. Given the general economic conditions during 2023 and into 2024, investments were generally funded proactively via issuances of common stock.

Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. It is also likely that investment dispositions may occur in the future. To the extent that investment dispositions exceed new investments, our revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any investment dispositions in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured revolving credit facility and commercial paper program. At March 31, 2024, we had \$2,388,488,000 of cash and cash equivalents, \$89,847,000 of restricted cash and \$4,000,000,000 of available borrowing capacity under our unsecured revolving credit facility.

Key Transactions

Capital The following summarizes key capital transactions that occurred during the three months ended March 31, 2024:

- In February 2024, we entered into the ATM Program (as defined below) pursuant to which we may offer and sell up to \$3,500,000,000 of common stock of Welltower from time to time. Our prior equity distribution agreement dated August 1, 2023, allowing us to sell up to \$4,000,000,000 aggregate amount of our common stock, was terminated. During the three months ended March 31, 2024, we sold 26,611,694 shares of common stock under our current and previous ATM Programs generating gross proceeds of approximately \$2,427,464,000.
- During the three months ended March 31, 2024, we extinguished \$120,946,000 of secured debt at a blended average interest rate of 7.56%.
- In January 2024, we repaid our \$400,000,000 4.5% senior unsecured notes at maturity. In March 2024, we repaid our \$950,000,000 3.625% senior unsecured notes at maturity.

Investments The following summarizes our property acquisitions and joint venture investments completed during the three months ended March 31, 2024 (dollars in thousands):

	Properties	Book Amount ⁽¹⁾	Capitalization Rates ⁽²⁾
Seniors Housing Operating	3	\$ 81,167	5.6 %

⁽¹⁾ Represents amounts recorded in net real estate investments including fair value adjustments pursuant to U.S. GAAP. See Note 3 to our unaudited consolidated financial statements for additional information.

⁽²⁾ Represents annualized contractual or projected NOI to be received in cash divided by investment amounts.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Dispositions The following summarizes property dispositions completed during the three months ended March 31, 2024 (dollars in thousands):

	Properties	Proceeds ⁽¹⁾	Book Amount ⁽²⁾	Capitalization Rates ⁽³⁾
Seniors Housing Operating ⁽⁴⁾	10	\$ 44,834	\$ 39,985	2.9 %

⁽¹⁾ Represents net proceeds received upon disposition.

⁽²⁾ Represents carrying value of net real estate assets at time of disposition. See Note 5 to our unaudited consolidated financial statements for additional information.

⁽³⁾ Represents annualized contractual income that was being received in cash at date of disposition divided by stated purchase price.

⁽⁴⁾ Includes the disposition of an unconsolidated equity method investment that owned six properties.

Strategic Dissolution of Revera Joint Ventures

During the second quarter of 2023, we entered into definitive agreements to dissolve our existing Revera joint venture relationships across the U.S., U.K. and Canada. The transactions include acquiring the remaining interests in 110 properties from Revera while simultaneously selling interests in 31 properties to Revera. See Note 5 to our unaudited consolidated financial statements for additional information regarding the transaction.

Dividends Our Board of Directors declared a cash dividend for the quarter ended March 31, 2024 of \$0.61 per share. On May 22, 2024, we will pay our 212th consecutive quarterly cash dividend to stockholders of record on May 13, 2024.

Key Performance Indicators, Trends and Uncertainties

We utilize several key performance indicators to evaluate the various aspects of our business. These indicators are discussed below and relate to operating performance, credit strength and concentration risk. Management uses these key performance indicators to facilitate internal and external comparisons to our historical operating results, in making operating decisions and for budget planning purposes.

Operating Performance We believe that net income and net income attributable to common stockholders ("NICS") per the Consolidated Statements of Comprehensive Income are the most appropriate earnings measures. Other useful supplemental measures of our operating performance include funds from operations attributable to common stockholders ("FFO") and consolidated net operating income ("NOI"); however, these supplemental measures are not defined by U.S. GAAP. Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliations. These earnings measures are widely used by investors and analysts in the valuation, comparison and investment recommendations of companies.

The following table reflects the recent historical trends of our operating performance measures for the periods presented (in thousands):

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net income (loss)	\$ 131,634	\$ 88,440	\$ 134,722	\$ 106,342	\$ 28,635
NICS	127,146	83,911	127,470	103,040	25,673
FFO	556,703	491,859	419,124	466,182	386,062
NOI	762,828	713,697	666,740	706,806	602,976

Credit Strength We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and restricted cash. The coverage ratios indicate our ability to service interest and fixed charges (interest and secured debt principal amortization). We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliation of these measures. Leverage ratios and coverage ratios are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table reflects the recent historical trends for our credit strength measures for the periods presented:

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	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net debt to book capitalization ratio	29%	34%	36%	38%	40%
Net debt to undepreciated book capitalization ratio	24%	28%	29%	31%	32%
Net debt to enterprise value ratio	17%	21%	23%	25%	28%
Interest coverage ratio	4.29x	3.79x	3.88x	3.81x	3.44x
Fixed charge coverage ratio	3.98x	3.52x	3.60x	3.51x	3.13x

Concentration Risk We evaluate our concentration risk in terms of NOI by property mix, relationship mix and geographic mix. Concentration risk is a valuable measure in understanding what portion of our NOI could be at risk if certain sectors were to experience downturns. Property mix measures the portion of our NOI that relates to our various property types. Relationship mix measures the portion of our NOI that relates to our current top five relationships. Geographic mix measures the portion of our NOI that relates to our current top five states (or countries outside the United States).

The following table reflects our recent historical trends of concentration risk by NOI for the periods indicated below:

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Property mix: ⁽¹⁾					
Seniors Housing Operating	47%	43%	45%	40%	42%
Triple-net	35%	37%	35%	42%	37%
Outpatient Medical	18%	20%	20%	18%	21%
Relationship mix: ⁽¹⁾					
Cogir Management Corporation	8%	6%	4%	3%	4%
Integra Healthcare Properties	7%	8%	8%	8%	9%
Sunrise Senior Living	5%	5%	5%	7%	6%
Avery Healthcare	5%	5%	4%	3%	3%
Oakmont Management Group	4%	4%	4%	3%	3%
Remaining relationships	71%	72%	75%	76%	75%
Geographic mix: ⁽¹⁾					
California	11%	11%	11%	11%	13%
United Kingdom	10%	9%	9%	8%	10%
Texas	8%	8%	8%	7%	8%
Florida	8%	8%	5%	4%	5%
Canada	7%	7%	6%	5%	6%
Remaining geographic areas	56%	57%	61%	65%	58%

⁽¹⁾ Excludes our share of investments in unconsolidated entities and non-segment/corporate NOI. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount.

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Lease Expirations The following table sets forth information regarding lease expirations for certain portions of our portfolio as of March 31, 2024 (dollars in thousands):

	Expiration Year ⁽¹⁾										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Thereafter
Triple-net:											
Properties	4	16	13	1	5	4	34	5	127	42	351
Base rent ⁽²⁾	\$ 13,495	\$ 8,016	\$ 12,591	\$ 1,232	\$ 6,404	\$ 1,035	\$ 71,362	\$ 11,002	\$ 102,099	\$ 55,028	\$ 454,390
% of base rent	1.8 %	1.1 %	1.7 %	0.2 %	0.9 %	0.1 %	9.7 %	1.5 %	13.9 %	7.5 %	61.6 %
Units/beds	692	521	1,695	80	616	219	3,669	423	6,163	3,267	39,909
% of units/beds	1.2 %	0.9 %	3.0 %	0.1 %	1.1 %	0.4 %	6.4 %	0.7 %	10.8 %	5.7 %	69.7 %
Outpatient Medical:											
Square feet	1,642,766	1,263,403	1,632,664	1,561,873	1,602,286	1,415,998	1,339,292	1,865,259	1,510,279	1,217,144	4,327,060
Base rent ⁽²⁾	\$ 49,042	\$ 38,505	\$ 45,805	\$ 44,502	\$ 45,234	\$ 40,967	\$ 39,757	\$ 52,211	\$ 45,293	\$ 31,827	\$ 126,299
% of base rent	8.8 %	6.9 %	8.2 %	8.0 %	8.1 %	7.3 %	7.1 %	9.3 %	8.1 %	5.7 %	22.5 %
Leases	381	265	268	246	273	163	119	91	157	107	162
% of leases	17.1 %	11.9 %	12.0 %	11.0 %	12.2 %	7.3 %	5.3 %	4.1 %	7.0 %	4.8 %	7.3 %

⁽¹⁾ Excludes our share of investments in unconsolidated entities, developments, land parcels, loans receivable and sub-leases. Investments classified as held for sale are included in the current year.

⁽²⁾ The most recent monthly cash base rent annualized. Base rent does not include tenant recoveries or amortization of above and below market lease intangibles or other non-cash income.

We evaluate our key performance indicators in conjunction with current expectations to determine if historical trends are indicative of future results. Our expected results may not be achieved, and actual results may differ materially from our expectations. Factors that may cause actual results to differ from expected results are described in more detail in "Cautionary Statement Regarding Forward-Looking Statements" and other sections of this Quarterly Report on Form 10-Q. Management regularly monitors economic and other factors to develop strategic and tactical plans designed to improve performance and maximize our competitive position. Our ability to achieve our financial objectives is dependent upon our ability to effectively execute these plans and to appropriately respond to emerging economic and company-specific trends. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2023, under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Corporate Governance

Maintaining investor confidence and trust is important in today's business environment. Our Board of Directors and management are strongly committed to policies and procedures that reflect the highest level of ethical business practices. Our corporate governance guidelines provide the framework for our business operations and emphasize our commitment to increase stockholder value while meeting all applicable legal requirements. These guidelines meet the listing standards adopted by the New York Stock Exchange and are available on the Internet at www.welltower.com/investors/governance. The information on our website is not incorporated by reference in this Quarterly Report on Form 10-Q, and our web address is included as an inactive textual reference only.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary sources of cash include resident fees and services, rent and interest receipts, interest earned on short-term deposits, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses, general and administrative expenses and other expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash. These sources and uses of cash are reflected in our Consolidated Statements of Cash Flows and are discussed in further detail below.

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The following is a summary of our sources and uses of cash flows for the periods presented (dollars in thousands):

	Three Months Ended		Change	
	March 31, 2024	March 31, 2023	\$	%
Cash, cash equivalents and restricted cash at beginning of period	\$ 2,076,083	\$ 722,292	\$ 1,353,791	187 %
Cash provided from (used in) operating activities	406,806	376,058	30,748	8 %
Cash provided from (used in) investing activities	(580,931)	(932,837)	351,906	38 %
Cash provided from (used in) financing activities	578,567	470,470	108,097	23 %
Effect of foreign currency translation	(2,190)	2,813	(5,003)	(178)%
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,478,335</u>	<u>\$ 638,796</u>	<u>\$ 1,839,539</u>	<u>288 %</u>

Operating Activities Please see "Results of Operations" for discussion of net income fluctuations. For the three months ended March 31, 2024 and 2023, cash flows provided from operations exceeded cash distributions to stockholders.

Investing Activities The changes in net cash provided from/used in investing activities are primarily attributable to net changes in real property investments and dispositions, loans receivable and investments in unconsolidated entities, which are summarized above in "Key Transactions." Please refer to Notes 3 and 5 of our unaudited consolidated financial statements for additional information. The following is a summary of cash used in non-acquisition capital improvement activities for the periods presented (dollars in thousands):

	Three Months Ended		Change	
	March 31, 2024	March 31, 2023	\$	%
New development	\$ 231,763	\$ 226,226	\$ 5,537	2 %
Recurring capital expenditures, tenant improvements and lease commissions	51,616	36,914	14,702	40 %
Renovations, redevelopments and other capital improvements	80,893	54,425	26,468	49 %
Total	<u>\$ 364,272</u>	<u>\$ 317,565</u>	<u>\$ 46,707</u>	<u>15 %</u>

The change in new development is primarily due to the number and size of construction projects on-going during the relevant periods. Renovations, redevelopments and other capital improvements include expenditures to maximize property value, increase net operating income, maintain a market-competitive position and/or achieve property stabilization. The increase in renovations, redevelopments and other capital improvements is due primarily to portfolio growth.

Financing Activities The changes in net cash provided from/used in financing activities are primarily attributable to changes related to our long-term debt arrangements, the issuances of common stock and dividend payments which are summarized above in "Key Transactions." Please refer to Notes 10, 11 and 14 to our unaudited consolidated financial statements for additional information.

In May 2023, we issued \$1,035,000,000 aggregate principal amount of 2.75% exchangeable senior unsecured notes maturing May 15, 2028. In January 2024, we repaid our \$400,000,000 4.5% senior unsecured notes at maturity. In March 2024, we repaid our \$950,000,000 3.625% senior unsecured notes at maturity.

Off-Balance Sheet Arrangements

At March 31, 2024, we had investments in unconsolidated entities with our ownership generally ranging from 10% to 95%. We use financial derivative instruments to hedge interest rate and foreign currency exchange rate exposure. At March 31, 2024, we had 23 outstanding letter of credit obligations. Please see Notes 8, 12 and 13 to our unaudited consolidated financial statements for additional information.

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Contractual Obligations

The following table summarizes our payment requirements under contractual obligations as of March 31, 2024 (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	2024	2025-2026	2027-2028	Thereafter
Senior unsecured notes and term credit facilities: ⁽¹⁾					
U.S. Dollar senior unsecured notes	\$ 9,585,000	\$ —	\$ 1,950,000	\$ 2,285,000	\$ 5,350,000
Canadian Dollar senior unsecured notes ⁽²⁾	221,566	—	—	221,566	—
Pounds Sterling senior unsecured notes ⁽²⁾	1,326,885	—	—	695,035	631,850
U.S. Dollar term credit facility	1,010,000	—	10,000	1,000,000	—
Canadian Dollar term credit facility ⁽²⁾	184,638	—	—	184,638	—
Secured debt: ^(1,2)					
Consolidated	2,070,776	307,236	532,136	312,147	919,257
Unconsolidated	1,027,084	143,300	556,718	144,773	182,293
Contractual interest obligations: ⁽³⁾					
Senior unsecured notes and term loans ⁽²⁾	3,476,211	383,282	881,529	644,098	1,567,302
Consolidated secured debt ⁽²⁾	424,613	67,468	124,925	97,233	134,987
Unconsolidated secured debt ⁽²⁾	114,457	27,517	31,453	14,171	41,316
Financing lease liabilities ⁽⁴⁾	394,073	4,062	8,103	7,999	373,909
Operating lease liabilities ⁽⁴⁾	945,198	14,926	33,660	32,785	863,827
Purchase obligations ⁽⁵⁾	1,103,007	799,951	291,535	7,792	3,729
Total contractual obligations	<u>\$ 21,883,508</u>	<u>\$ 1,747,742</u>	<u>\$ 4,420,059</u>	<u>\$ 5,647,237</u>	<u>\$ 10,068,470</u>

⁽¹⁾ Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

⁽²⁾ Based on foreign currency exchange rates in effect as of the balance sheet date.

⁽³⁾ Based on variable interest rates in effect as of the balance sheet date.

⁽⁴⁾ See Note 6 to our unaudited consolidated financial statements for additional information.

⁽⁵⁾ See Note 13 to our unaudited consolidated financial statements for additional information. Excludes amounts related to asset acquisitions under contract that have not yet closed as of March 31, 2024, including the acquisition of Affinity Living Communities described in Note 3.

Capital Structure

Please refer to “Credit Strength” above for a discussion of our leverage and coverage ratio trends. Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2024, we were in compliance in all material respects with the covenants under our debt agreements. None of our debt agreements contain provisions for acceleration which could be triggered by our debt ratings. However, under our primary unsecured credit facility, the ratings on our senior unsecured notes are used to determine the fees and interest charged. We plan to manage the company to maintain compliance with our debt covenants and with a capital structure consistent with our current profile. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse impact on our cost and availability of capital, which could have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

On April 1, 2022, Welltower and Welltower OP jointly filed with the Securities and Exchange Commission (the “SEC”) an open-ended automatic or “universal” shelf registration statement on Form S-3 (the “Shelf Form S-3”) covering an indeterminate amount of future offerings of Welltower’s debt securities, common stock, preferred stock, depository shares, guarantees of debt securities issued by Welltower OP, warrants and units and Welltower OP’s debt securities and guarantees of debt securities issued by Welltower. On April 1, 2022, Welltower also filed with the SEC a registration statement in connection with its enhanced dividend reinvestment plan (“DRIP”) under which it may issue up to 15,000,000 shares of common stock. On May 3, 2023, Welltower and Welltower OP filed post-effective amendment no. 1 to the Shelf Form S-3 pursuant to which Welltower OP expressly adopted the Shelf Form S-3 as its own registration statement following its statutory conversion from a corporation to a limited liability company. As of April 26, 2024, 15,000,000 shares of common stock remained available for issuance under the DRIP registration statement. On February 15, 2024, Welltower and Welltower OP entered into an equity distribution agreement (the “EDA”) with (i) Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BOK Financial Securities, Inc., Capital One Securities Inc., Citigroup

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Global Markets Inc., Citizens JMP Securities, LLC, Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Fifth Third Securities, Inc., Goldman Sachs & Co. LLC, Jefferies LLC, J.P. Morgan Securities LLC, KeyBanc Capital Markets Inc., Loop Capital Markets LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Regions Securities LLC, Robert W. Baird & Co. Incorporated, Scotia Capital (USA) Inc., Synovus Securities, Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC as sales agents and forward sellers and (ii) the forward purchasers named therein relating to issuances, offers and sales from time to time of up to \$3,500,000,000 aggregate amount of common stock of Welltower (together with the existing master forward sale confirmations relating thereto, the "ATM Program"). The ATM Program also allows Welltower to enter into forward sale agreements. As of April 26, 2024, we had \$936,054,307 of remaining capacity under the ATM Program and there were no outstanding forward sales agreements. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowings under our unsecured revolving credit facility and commercial paper program.

In connection with the filing of the Shelf Form S-3, Welltower also filed with the SEC a prospectus supplement that will continue an offering that was previously covered by a prior registration statement relating to the registration of up to 475,327 shares of common stock of Welltower Inc. (the "DownREIT II Shares") that may be issued from time to time if, and to the extent that, certain holders of Class A units (the "DownREIT II Units") of HCN G&L DownREIT II LLC, a Delaware limited liability company (the "DownREIT II"), tender such DownREIT II Units for redemption by the DownREIT II, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of Welltower (including its permitted successors and assigns, the "Managing Member"), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT II and to satisfy all or a portion of the redemption consideration by issuing DownREIT II Shares to the holders instead of or in addition to paying a cash amount. On July 22, 2022, Welltower filed with the SEC a prospectus supplement relating to the registration of up to 300,026 shares of common stock of Welltower Inc. that may be issued from time to time if, and to the extent that, certain holders of Class A Common Units (the "OP Units") of Welltower OP tender the OP Units for redemption by Welltower OP, and Welltower Inc. elects to assume the redemption obligations of Welltower OP and to satisfy all or a portion of the redemption consideration by issuing shares of its common stock to the holders instead of or in addition to paying a cash amount. On August 9, 2023, Welltower filed with the SEC a prospectus supplement relating to the registration of up to 13,559,535 shares of common stock of Welltower Inc. (the "Exchanged Shares") that may, under certain circumstances, be issuable upon exchange of 2.750% exchangeable senior notes due 2028 of Welltower OP and the resale from time to time by the recipients of the Exchanged Shares.

Supplemental Guarantor Information

Welltower OP has issued the unsecured notes described in Note 11 to our unaudited consolidated financial statements. All unsecured notes are fully and unconditionally guaranteed by Welltower, and Welltower OP is 99.726% owned by Welltower as of March 31, 2024. Effective January 4, 2021, the SEC adopted amendments to the financial disclosure requirements applicable to registered debt offerings that include certain credit enhancements. We have adopted these new rules, which permits subsidiary issuers of obligations guaranteed by the parent to omit separate financial statements if the consolidated financial statements of the parent company have been filed, the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and the security is guaranteed fully and unconditionally by the parent. Accordingly, separate consolidated financial statements of Welltower OP have not been presented. Furthermore, Welltower and Welltower OP have no material assets, liabilities, or operations other than financing activities and their investments in non-guarantor subsidiaries. Therefore, we meet the criteria in Rule 13-01 of Regulation S-X to omit the summarized financial information from our disclosures.

Results of Operations

Summary

Our primary sources of revenue include resident fees and services, rent, interest income and interest earned on short-term deposits. Our primary expenses include property operating expenses, depreciation and amortization, interest expense, general and administrative expenses and other expenses. We evaluate our business and make resource allocations on our three business segments: Seniors Housing Operating, Triple-net and Outpatient Medical. The primary performance measures for our properties are NOI and same store NOI ("SSNOI") and other supplemental measures include FFO and Adjusted EBITDA, which are further discussed below. Please see Non-GAAP Financial Measures for additional information and reconciliations related to these supplemental measures.

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	Three Months Ended		Change	
	March 31,		Amount	%
	2024	2023		
Net income (loss)	\$ 131,634	\$ 28,635	\$ 102,999	360 %
NICS	127,146	25,673	101,473	395 %
FFO	556,703	386,062	170,641	44 %
EBITDA	651,006	515,195	135,811	26 %
NOI	762,828	602,976	159,852	27 %
SSNOI	537,581	477,990	59,591	12 %
Per share data (fully diluted):				
NICS	\$ 0.22	\$ 0.05	\$ 0.17	340 %
FFO	\$ 0.96	\$ 0.78	\$ 0.18	23 %
Interest coverage ratio	4.29 x	3.44 x	0.85 x	25 %
Fixed charge coverage ratio	3.98 x	3.13 x	0.85 x	27 %

Seniors Housing Operating

The following is a summary of our results of operations for the Seniors Housing Operating segment (dollars in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2024	2023		
Revenues:				
Resident fees and services	\$ 1,360,274	\$ 1,131,685	\$ 228,589	20 %
Interest income	5,023	2,551	2,472	97 %
Other income	1,463	2,445	(982)	(40)%
Total revenues	1,366,760	1,136,681	230,079	20 %
Property operating expenses	1,019,347	883,784	135,563	15 %
NOI ⁽¹⁾	347,413	252,897	94,516	37 %
Other expenses:				
Depreciation and amortization	236,796	220,407	16,389	7 %
Interest expense	11,186	11,487	(301)	(3)%
Loss (gain) on extinguishment of debt, net	6	—	6	n/a
Provision for loan losses, net	1,568	(73)	1,641	n/a
Impairment of assets	43,331	12,629	30,702	243 %
Other expenses	8,757	17,579	(8,822)	(50)%
	301,644	262,029	39,615	15 %
Income (loss) from continuing operations before income taxes and other items	45,769	(9,132)	54,901	601 %
Income (loss) from unconsolidated entities	(4,267)	(15,589)	11,322	73 %
Gain (loss) on real estate dispositions, net	4,602	833	3,769	452 %
Income (loss) from continuing operations	46,104	(23,888)	69,992	293 %
Net income (loss)	46,104	(23,888)	69,992	293 %
Less: Net income (loss) attributable to noncontrolling interests	(1,002)	(3,121)	2,119	68 %
Net income (loss) attributable to common stockholders	\$ 47,106	\$ (20,767)	\$ 67,873	327 %

⁽¹⁾ See "Non-GAAP Financial Measures" below for additional information and reconciliations.

Resident fees and services and property operating expenses increased for the three month periods ended March 31, 2024 compared to the same periods in the prior year primarily due to acquisitions outpacing dispositions during 2023 and year to date 2024. Additionally, our Seniors Housing Operating revenues are dependent on occupancy and rate growth, both of which have continued to steadily increase from prior year. Average occupancy is as follows:

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	Three Months Ended ⁽¹⁾			
	March 31,	June 30,	September 30,	December 31,
2023	79.0 %	79.6 %	80.7 %	82.2 %
2024	82.5 %			

⁽¹⁾ Average occupancy includes our minority ownership share related to unconsolidated properties and excludes the minority partners' noncontrolling ownership share related to consolidated properties. Also excludes land parcels and properties under development.

Interest income increased for the three month period ended March 31, 2024 compared to the same period in the prior year primarily due to an increase in third party real estate loans in connection with the various transactions that occurred during 2023 and year to date 2024.

The following is a summary of our SSNOI at Welltower's share for the Seniors Housing Operating segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31,			
	2024	2023	\$	%
SSNOI ⁽¹⁾	\$ 265,160	\$ 213,116	\$ 52,044	24.4 %

⁽¹⁾ For the QTD Pool, amounts relate to 665 same store properties. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

During the three months ended March 31, 2024, we entered into a definitive agreement and subsequently closed on the sale of four Seniors Housing Operating properties. In conjunction with this transaction, an impairment charge of \$23,795,000 was recognized related to two properties. Additionally, we recorded \$15,584,000 of impairment charges related to six Seniors Housing Operating properties classified as held for sale and not yet sold as of March 31, 2024 for which the carrying value exceeded the estimated fair value less costs to sell. Also, we recorded \$3,952,000 related to two held for use properties for which the carrying value exceeded the estimated fair value.

During the three months ended March 31, 2023, we recorded impairment charges of \$12,252,000 related to three held for sale properties for which the carrying values exceeded the estimated fair value less costs to sell and \$377,000 related to one held for use property for which the carrying value exceeded the estimated fair value. Transaction costs related to asset acquisitions are capitalized as a component of the purchase price. The fluctuation in other expenses is primarily due to the timing of noncapitalizable transaction costs associated with acquisitions and operator transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

Depreciation and amortization fluctuates as a result of acquisitions, dispositions and transitions. To the extent that we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

During the three months ended March 31, 2024, we completed construction conversions representing \$88,680,000 or \$169,885 per unit. The following is a summary of our consolidated Seniors Housing Operating construction projects in process, excluding expansions (dollars in thousands):

As of March 31, 2024				
Expected Conversion Year ⁽¹⁾	Properties	Units/Beds	Anticipated Remaining Funding	Construction in Progress Balance
2024	18	2,692	\$ 155,181	\$ 716,887
2025	7	1,465	241,531	258,809
2026	3	539	104,832	28,440
TBD ⁽²⁾	5			65,452
Total	33			\$ 1,069,588

⁽¹⁾ Properties expected to be converted in phases over multiple years are reflected in the last expected year.

⁽²⁾ Represents projects for which a final budget or expected conversion date are not yet known.

Interest expense represents secured debt interest expense, which fluctuates based on the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The fluctuations in loss (gain) on extinguishment of debt is primarily attributable to the volume of extinguishments and terms of the related secured debt.

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The following is a summary of our Seniors Housing Operating segment property secured debt principal activity (dollars in thousands):

	Three Months Ended	
	March 31,	
	2024	2023
Beginning balance	\$ 1,955,048	\$ 1,701,939
Debt issued	1,379	362,900
Debt assumed	—	6,482
Debt extinguished	(120,946)	—
Principal payments	(10,847)	(13,007)
Foreign currency	(20,215)	304
Ending balance	\$ 1,804,419	\$ 2,058,618
Ending weighted average interest	4.52 %	4.58 %

The majority of our Seniors Housing Operating properties are formed through partnership interests. Income (loss) from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The fluctuation in income (loss) from unconsolidated entities from the prior year relates to the U.S. portion of the Strategic Dissolution of the Revera Joint Venture discussed in Note 5 to our unaudited consolidated financial statements, which occurred in the third quarter of 2023. Net income attributable to noncontrolling interests represents our partners' share of net income (loss) related to joint ventures.

Triple-net

The following is a summary of our results of operations for the Triple-net segment (dollars in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2024	2023		
Revenues:				
Rental income	\$ 221,744	\$ 202,419	\$ 19,325	10 %
Interest income	46,789	33,763	13,026	39 %
Other income	1,199	1,883	(684)	(36)%
Total revenues	269,732	238,065	31,667	13 %
Property operating expenses	10,817	11,723	(906)	(8)%
NOI ⁽¹⁾	258,915	226,342	32,573	14 %
Other expenses:				
Depreciation and amortization	62,535	54,528	8,007	15 %
Interest expense	358	(15)	373	n/a
Loss (gain) on derivatives and financial instruments, net	(3,054)	930	(3,984)	(428)%
Provision for loan losses, net	(567)	850	(1,417)	(167)%
Other expenses	1,205	2,467	(1,262)	(51)%
	60,477	58,760	1,717	3 %
Income (loss) from continuing operations before income taxes and other items	198,438	167,582	30,856	18 %
Income (loss) from unconsolidated entities	(3,153)	8,432	(11,585)	(137)%
Gain (loss) on real estate dispositions, net	26	520	(494)	(95)%
Income (loss) from continuing operations	195,311	176,534	18,777	11 %
Net income (loss)	195,311	176,534	18,777	11 %
Less: Net income (loss) attributable to noncontrolling interests	5,498	5,464	34	1 %
Net income attributable to common stockholders	\$ 189,813	\$ 171,070	\$ 18,743	11 %

⁽¹⁾ See "Non-GAAP Financial Measures" below for additional information and reconciliations.

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Rental income increased primarily due to acquisitions and annual rent increases. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or changes in the gross operating revenues of the tenant's properties. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If gross operating revenues at our facilities and/or the Consumer Price Index do not increase, a portion of our revenues may not continue to increase. For the three months ended March 31, 2024, we had 20 leases with rental rate increases ranging from 0.05% to 10.00% in our Triple-net portfolio.

This increase was partially offset by the write off of straight-line receivable balances of \$9,356,000 during the three months ended March 31, 2024, which relate to leases for which the collection of substantially all contractual lease payments was no longer deemed probable.

The increase in interest income is primarily driven by increased advances on loans receivable during 2023.

The following is a summary of our SSNOI at Welltower's share for the Triple-net segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31,			
	2024	2023	\$	%
SSNOI ⁽¹⁾	\$ 153,048	\$ 147,817	\$ 5,231	3.5 %

⁽¹⁾ For the QTD Pool, amounts relate to 527 same store properties. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

Depreciation and amortization fluctuates as a result of the acquisitions, dispositions and segment transitions of Triple-net properties. To the extent we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs from acquisitions and segment transitions. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices.

Loss (gain) on derivatives and financial instruments, net is primarily attributable to the mark-to-market of the equity warrants received as part of the HC-One transactions that closed in 2021 and 2023.

Interest expense represents secured debt interest expense and related fees. The change in secured debt interest expense is due to the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The following is a summary of our Triple-net secured debt principal activity for the periods presented (dollars in thousands):

	Three Months Ended	
	March 31,	
	2024	2023
Beginning balance	\$ 38,260	\$ 39,179
Principal payments	(237)	(230)
Ending balance	\$ 38,023	\$ 38,949
Ending weighted average interest	4.39 %	4.39 %

A portion of our Triple-net properties were formed through partnerships. Income (loss) from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The fluctuation in income (loss) from unconsolidated entities from the prior year relates primarily to the timing and amount of hypothetical liquidation at book value adjustments related to in substance real estate investments. Net income attributable to noncontrolling interests represents our partners' share of net income relating to those partnerships where we are the controlling partner.

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Outpatient Medical

The following is a summary of our results of operations for the Outpatient Medical segment for the periods presented (dollars in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2024	2023		
Revenues:				
Rental income	\$ 195,908	\$ 181,640	\$ 14,268	8 %
Interest income	852	91	761	836 %
Other income	2,402	3,100	(698)	(23)%
Total revenues	199,162	184,831	14,331	8 %
Property operating expenses	62,463	58,365	4,098	7 %
NOI ⁽¹⁾	136,699	126,466	10,233	8 %
Other expenses:				
Depreciation and amortization	66,532	64,177	2,355	4 %
Interest expense	1,718	4,104	(2,386)	(58)%
Loss (gain) on extinguishment of debt, net	—	5	(5)	(100)%
Provision for loan losses, net	13	—	13	n/a
Other expenses	609	547	62	11 %
	68,872	68,833	39	— %
Income (loss) from continuing operations before income taxes and other items	67,827	57,633	10,194	18 %
Income (loss) from unconsolidated entities	(363)	86	(449)	(522)%
Gain (loss) on real estate dispositions, net	79	(606)	685	113 %
Income (loss) from continuing operations	67,543	57,113	10,430	18 %
Net income (loss)	67,543	57,113	10,430	18 %
Less: Net income (loss) attributable to noncontrolling interests	(352)	536	(888)	(166)%
Net income (loss) attributable to common stockholders	\$ 67,895	\$ 56,577	\$ 11,318	20 %

⁽¹⁾ See "Non-GAAP Financial Measures" below for additional information and reconciliations.

Rental income has increased due primarily to acquisitions and construction conversions that occurred during 2023 and year to date in 2024. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the Consumer Price Index does not increase, a portion of our revenues may not continue to increase. Our leases could renew above or below current rental rates, resulting in an increase or decrease in rental income. For the three months ended March 31, 2024, our consolidated Outpatient Medical portfolio signed 100,966 square feet of new leases and 464,987 square feet of renewals. The weighted-average term of these leases was seven years, with a rate of \$40.50 per square foot and tenant improvement and lease commission costs of \$33.26 per square foot. Substantially all of these leases contain an annual fixed or contingent escalation rent structure ranging from 2.5% to 5.0%.

The fluctuation in property operating expenses and depreciation and amortization are primarily attributable to acquisitions and construction conversions that occurred during 2023 and year to date in 2024. To the extent we acquire or dispose of additional properties in the future, these expenses will change accordingly.

The following is a summary of our SSNOI at Welltower's share for the Outpatient Medical segment (dollars in thousands):

	QTD Pool			
	Three Months Ended		Change	
	March 31,		\$	%
2024	2023			
SSNOI ⁽¹⁾	\$ 119,373	\$ 117,057	\$ 2,316	2.0 %

⁽¹⁾ For the QTD Pool, amounts relate to 378 same store properties. Please see "Non-GAAP Financial Measures" below for additional information and reconciliations.

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During the three months ended March 31, 2024, we completed construction conversions representing \$91,248,000 or \$661 per square foot. The following is a summary of our consolidated Outpatient Medical construction projects in process, excluding expansions (dollars in thousands):

As of March 31, 2024				
Expected Conversion Year	Properties	Square Feet	Anticipated Remaining Funding	Construction in Progress Balance
2024	9	660,307	\$ 211,768	\$ 152,053
2025	3	290,559	146,138	19,103
TBD ⁽¹⁾	1			33,571
Total	13			\$ 204,727

⁽¹⁾ Represents projects for which a final budget or expected conversion date are not yet known.

Total interest expense represents secured debt interest expense. The change in secured debt interest expense is primarily due to the net effect and timing of assumptions, extinguishments and principal amortizations. The following is a summary of our Outpatient Medical secured debt principal activity (dollars in thousands):

	Three Months Ended	
	March 31,	
	2024	2023
Beginning balance	\$ 229,137	\$ 388,836
Debt assumed	—	46,741
Debt extinguished	—	(24,631)
Principal payments	(803)	(1,705)
Ending balance	\$ 228,334	\$ 409,241
Ending weighted average interest	5.42 %	4.43 %

A portion of our Outpatient Medical properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. Net income attributable to noncontrolling interests represents our partners' share of net income or loss relating to those partnerships where we are the controlling partner.

Non-Segment/Corporate

The following is a summary of our results of operations for the Non-Segment/Corporate activities for the periods presented (dollars in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2024	2023		
Revenues:				
Other income	\$ 24,087	\$ 1,152	\$ 22,935	n/a
Total revenues	24,087	1,152	22,935	n/a
Property operating expenses	4,286	3,881	405	10 %
Consolidated net operating income (loss) ⁽¹⁾	19,801	(2,729)	22,530	826 %
Expenses:				
Interest expense	134,056	128,827	5,229	4 %
General and administrative expenses	53,318	44,371	8,947	20 %
Other expenses	3,560	2,152	1,408	65 %
	190,934	175,350	15,584	9 %
Income (loss) from continuing operations before income taxes and other items	(171,133)	(178,079)	6,946	4 %
Income tax benefit (expense)	(6,191)	(3,045)	(3,146)	(103)%
Income (loss) from continuing operations	(177,324)	(181,124)	3,800	2 %
Net income (loss)	(177,324)	(181,124)	3,800	2 %
Less: Net income (loss) attributable to noncontrolling interests	344	83	261	314 %
Net income (loss) attributable to common stockholders	\$ (177,668)	\$ (181,207)	\$ 3,539	2 %

⁽¹⁾ See "Non-GAAP Financial Measures" below for additional information and reconciliations.

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The increase in other income for three month periods ended March 31, 2024 is primarily due to interest earned on deposits. Property operating expenses represent insurance costs related to our captive insurance company, which acts as a direct insurer of property level insurance coverage for our portfolio.

The following is a summary of our Non-Segment/Corporate interest expense for the periods presented (dollars in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2024	2023		
Senior unsecured notes	\$ 127,960	\$ 120,814	\$ 7,146	6 %
Unsecured credit facility and commercial paper program	1,535	2,406	(871)	(36)%
Loan expense	4,561	5,607	(1,046)	(19)%
Totals	\$ 134,056	\$ 128,827	\$ 5,229	4 %

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments, as well as the movement in foreign exchange rates and related hedge activity. Please refer to Note 11 to our unaudited consolidated financial statements for additional information. The change in interest expense on our unsecured revolving credit facility and commercial paper program is due primarily to the net effect and timing of draws, paydowns and variable interest rate changes. Please refer to Note 10 to our unaudited consolidated financial statements for additional information regarding our unsecured revolving credit facility and commercial paper program. Loan expenses represent the amortization of costs incurred in connection with senior unsecured notes issuances.

General and administrative expenses as a percentage of consolidated revenues for the three months ended March 31, 2024 and 2023 were 2.87% and 2.84%, respectively. The increase during the three month period is primarily driven by compensation costs associated with increased employee headcount. The provision for income taxes primarily relates to state taxes, foreign taxes and taxes based on income generated by entities that are structured as taxable REIT subsidiaries.

Other

Non-GAAP Financial Measures

We believe that net income and net income attributable to common stockholders, as defined by U.S. GAAP, are the most appropriate earnings measurements. However, we consider FFO, NOI, SSNOI, EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created funds from operations attributable to common stockholders ("FFO") as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means NICS, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

NOI is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to managers, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent general overhead costs that are unrelated to property operations and unallocable to the properties. These expenses include, but are not limited to, payroll and benefits related to corporate employees, professional services, office expenses and depreciation of corporate fixed assets. Same store NOI ("SSNOI") is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. We believe the drivers of property level NOI for both consolidated properties and unconsolidated properties are generally the same and therefore, we evaluate SSNOI based on our ownership interest in each property ("Welltower Share"). To arrive at Welltower's Share, NOI is adjusted by adding our minority ownership share related to unconsolidated properties and by subtracting the minority partners' noncontrolling ownership interests for consolidated properties. We do not control investments in unconsolidated properties and while we consider disclosures at Welltower Share to be useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in SSNOI five full quarters after acquisition or being placed into service for the QTD Pool. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the respective periods are excluded from SSNOI. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of

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commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from SSNOI until five full quarters post completion of the redevelopment for the QTD Pool. Properties undergoing operator transitions and/or segment transitions are also excluded from SSNOI until five full quarters post completion of the transition for the QTD Pool. In addition, properties significantly impacted by force majeure, acts of God, or other extraordinary adverse events are excluded from SSNOI until five full quarters after the properties are placed back into service for the QTD Pool. SSNOI excludes non-cash NOI and includes adjustments to present consistent ownership percentages and to translate Canadian properties and U.K. properties using a consistent exchange rate. We believe NOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

EBITDA is defined as earnings (net income) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/loss/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, other impairment charges and other adjustments as deemed appropriate. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest and secured debt principal amortization. Covenants in our unsecured senior notes and primary credit facility contain financial ratios based on a definition of EBITDA and Adjusted EBITDA that is specific to those agreements. Our leverage ratios are defined as the proportion of net debt to total capitalization and include book capitalization, undepreciated book capitalization and enterprise value. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Enterprise value represents book capitalization adjusted for the fair market value of our common stock.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Management uses these financial measures to facilitate internal and external comparisons to our historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management. None of our supplemental measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies.

The table below reflects the reconciliation of FFO to NICS, the most directly comparable U.S. GAAP measure, for the periods presented. Noncontrolling interest and unconsolidated entity amounts represent adjustments to reflect our share of depreciation and amortization, gains/loss on real estate dispositions and impairment of assets. Amounts are in thousands except for per share data.

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
FFO Reconciliation:					
Net income (loss) attributable to common stockholders	\$ 127,146	\$ 83,911	\$ 127,470	\$ 103,040	\$ 25,673
Depreciation and amortization	365,863	380,730	339,314	341,945	339,112
Impairment of assets	43,331	14,994	7,388	1,086	12,629
Loss (gain) on real estate dispositions, net	(4,707)	1,783	(71,102)	2,168	(747)
Noncontrolling interests	(11,996)	(11,436)	(8,789)	(12,841)	(13,327)
Unconsolidated entities	37,066	21,877	24,843	30,784	22,722
FFO	\$ 556,703	\$ 491,859	\$ 419,124	\$ 466,182	\$ 386,062
Average diluted shares outstanding	577,530	552,380	525,138	501,970	494,494
Per diluted share data:					
Net income attributable to common stockholders ⁽¹⁾	\$ 0.22	\$ 0.15	\$ 0.24	\$ 0.20	\$ 0.05
FFO	\$ 0.96	\$ 0.89	\$ 0.80	\$ 0.93	\$ 0.78

⁽¹⁾ Includes adjustment to the numerator for income (loss) attributable to OP Unitholders.

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The table below reflects the reconciliation of consolidated NOI to net income, the most directly comparable U.S. GAAP measure, for the periods presented (dollars in thousands):

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
NOI Reconciliations:					
Net income (loss)	\$ 131,634	\$ 88,440	\$ 134,722	\$ 106,342	\$ 28,635
Loss (gain) on real estate dispositions, net	(4,707)	1,783	(71,102)	2,168	(747)
Loss (income) from unconsolidated entities	7,783	2,008	4,031	40,332	7,071
Income tax expense (benefit)	6,191	(4,768)	4,584	3,503	3,045
Other expenses	14,131	36,307	38,220	11,069	22,745
Impairment of assets	43,331	14,994	7,388	1,086	12,629
Provision for loan losses, net	1,014	2,517	4,059	2,456	777
Loss (gain) on extinguishment of debt, net	6	—	1	1	5
Loss (gain) on derivatives and financial instruments, net	(3,054)	(7,215)	2,885	1,280	930
General and administrative expenses	53,318	44,327	46,106	44,287	44,371
Depreciation and amortization	365,863	380,730	339,314	341,945	339,112
Interest expense	147,318	154,574	156,532	152,337	144,403
Consolidated net operating income (NOI)	<u>\$ 762,828</u>	<u>\$ 713,697</u>	<u>\$ 666,740</u>	<u>\$ 706,806</u>	<u>\$ 602,976</u>
NOI by segment:					
Seniors Housing Operating	\$ 347,413	\$ 301,077	\$ 284,909	\$ 279,252	\$ 252,897
Triple-net	258,915	256,985	226,278	291,530	226,342
Outpatient Medical	136,699	135,484	129,754	127,495	126,466
Non-segment/corporate	19,801	20,151	25,799	8,529	(2,729)
Total NOI	<u>\$ 762,828</u>	<u>\$ 713,697</u>	<u>\$ 666,740</u>	<u>\$ 706,806</u>	<u>\$ 602,976</u>

The following is a reconciliation of the properties included in our QTD Pool for SSNOI:

SSNOI Property Reconciliations:	QTD Pool			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Consolidated properties	918	613	372	1,903
Unconsolidated properties	76	39	78	193
Total properties	<u>994</u>	<u>652</u>	<u>450</u>	<u>2,096</u>
Recent acquisitions/development conversions ⁽¹⁾	(69)	(69)	(40)	(178)
Under development	(34)	—	(13)	(47)
Under redevelopment ⁽²⁾	(5)	(4)	(2)	(11)
Current held for sale	(37)	(29)	(6)	(72)
Land parcels, loans and subleases	(15)	(4)	(8)	(27)
Transitions ⁽³⁾	(159)	(15)	—	(174)
Other ⁽⁴⁾	(10)	(4)	(3)	(17)
Same store properties	<u>665</u>	<u>527</u>	<u>378</u>	<u>1,570</u>

⁽¹⁾ Acquisitions and development conversions will enter the QTD Pool five full quarters after acquisition or certificate of occupancy.

⁽²⁾ Redevelopment properties will enter the QTD Pool after five full quarters of operations post redevelopment completion.

⁽³⁾ Transitioned properties will enter the QTD Pool after five full quarters of operations with the new operator in place or under the new structure.

⁽⁴⁾ Represents properties that are either closed or being closed.

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The following is a reconciliation of our consolidated NOI to same store NOI for the periods presented for the QTD Pool (dollars in thousands):

	Three Months Ended	
	March 31,	
	2024	2023
SSNOI Reconciliations:		
Seniors Housing Operating:		
Consolidated NOI	\$ 347,413	\$ 252,897
NOI attributable to unconsolidated investments	21,782	12,126
NOI attributable to noncontrolling interests	(17,359)	(16,260)
NOI attributable to non-same store properties	(86,107)	(35,153)
Non-cash NOI attributable to same store properties	(195)	(851)
Currency and ownership adjustments ⁽¹⁾	(374)	357
SSNOI at Welltower Share	<u>265,160</u>	<u>213,116</u>
Triple-net:		
Consolidated NOI	258,915	226,342
NOI attributable to unconsolidated investments	5,597	9,293
NOI attributable to noncontrolling interests	(8,006)	(7,608)
NOI attributable to non-same store properties	(95,017)	(57,928)
Non-cash NOI attributable to same store properties	(8,082)	(22,709)
Currency and ownership adjustments ⁽¹⁾	(359)	427
SSNOI at Welltower Share	<u>153,048</u>	<u>147,817</u>
Outpatient Medical:		
Consolidated NOI	136,699	126,466
NOI attributable to unconsolidated investments	4,711	4,935
NOI attributable to noncontrolling interests	(2,723)	(5,188)
NOI attributable to non-same store properties	(16,081)	(6,984)
Non-cash NOI attributable to same store properties	(3,253)	(5,167)
Currency and ownership adjustments ⁽¹⁾	20	2,995
SSNOI at Welltower Share	<u>119,373</u>	<u>117,057</u>
SSNOI at Welltower Share:		
Seniors Housing Operating	265,160	213,116
Triple-net	153,048	147,817
Outpatient Medical	<u>119,373</u>	<u>117,057</u>
Total	<u>\$ 537,581</u>	<u>\$ 477,990</u>

⁽¹⁾ Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.36 and to translate U.K. properties at a GBP/USD rate of 1.25.

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The table below reflects the reconciliation of EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented (dollars in thousands):

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
EBITDA Reconciliations:					
Net income (loss)	\$ 131,634	\$ 88,440	\$ 134,722	\$ 106,342	\$ 28,635
Interest expense	147,318	154,574	156,532	152,337	144,403
Income tax expense (benefit)	6,191	(4,768)	4,584	3,503	3,045
Depreciation and amortization	365,863	380,730	339,314	341,945	339,112
EBITDA	\$ 651,006	\$ 618,976	\$ 635,152	\$ 604,127	\$ 515,195
Interest Coverage Ratio:					
Interest expense	\$ 147,318	\$ 154,574	\$ 156,532	\$ 152,337	\$ 144,403
Capitalized interest	13,809	14,547	13,947	11,870	10,335
Non-cash interest expense	(9,284)	(5,871)	(6,716)	(5,824)	(5,083)
Total interest	151,843	163,250	163,763	158,383	149,655
EBITDA	\$ 651,006	\$ 618,976	\$ 635,152	\$ 604,127	\$ 515,195
Interest coverage ratio	4.29 x	3.79 x	3.88 x	3.81 x	3.44 x
Fixed Charge Coverage Ratio:					
Total interest	\$ 151,843	\$ 163,250	\$ 163,763	\$ 158,383	\$ 149,655
Secured debt principal payments	11,887	12,430	12,865	13,839	14,942
Total fixed charges	163,730	175,680	176,628	172,222	164,597
EBITDA	\$ 651,006	\$ 618,976	\$ 635,152	\$ 604,127	\$ 515,195
Fixed charge coverage ratio	3.98 x	3.52 x	3.60 x	3.51 x	3.13 x

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The table below reflects the reconciliation of Adjusted EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented (dollars in thousands):

	Twelve Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Adjusted EBITDA Reconciliations:					
Net income	\$ 461,138	\$ 358,139	\$ 271,497	\$ 134,122	\$ 123,452
Interest expense	610,761	607,846	593,663	576,813	552,226
Income tax expense (benefit)	9,510	6,364	7,044	5,717	5,279
Depreciation and amortization	1,427,852	1,401,101	1,362,657	1,377,042	1,345,392
EBITDA	2,509,261	2,373,450	2,234,861	2,093,694	2,026,349
Loss (income) from unconsolidated entities	54,154	53,442	56,084	58,751	25,477
Stock-based compensation expense	38,829	36,611	34,762	32,299	27,709
Loss (gain) on extinguishment of debt, net	8	7	94	95	697
Loss (gain) on real estate dispositions, net	(71,858)	(67,898)	(65,258)	4,780	6,144
Impairment of assets	66,799	36,097	34,249	31,217	30,131
Provision for loan losses, net	10,046	9,809	17,761	14,192	11,098
Loss (gain) on derivatives and financial instruments, net	(6,104)	(2,120)	5,353	9,373	5,751
Other expenses	99,727	108,341	96,988	74,249	98,346
Lease termination and leasehold interest adjustment ⁽¹⁾	(65,485)	(65,485)	(65,485)	(65,485)	(56,397)
Casualty losses, net of recoveries	7,778	10,107	16,446	15,760	14,865
Other impairment ⁽²⁾	25,998	16,642	12,309	—	(620)
Adjusted EBITDA	\$ 2,669,153	\$ 2,509,003	\$ 2,378,164	\$ 2,268,925	\$ 2,189,550
Adjusted Interest Coverage Ratio:					
Interest expense	\$ 610,761	\$ 607,846	\$ 593,663	\$ 576,813	\$ 552,226
Capitalized interest	54,173	50,699	45,914	40,830	35,347
Non-cash interest expense	(27,695)	(23,494)	(21,903)	(21,946)	(22,728)
Total interest	637,239	635,051	617,674	595,697	564,845
Adjusted EBITDA	\$ 2,669,153	\$ 2,509,003	\$ 2,378,164	\$ 2,268,925	\$ 2,189,550
Adjusted interest coverage ratio	4.19 x	3.95 x	3.85 x	3.81 x	3.88 x
Adjusted Fixed Charge Coverage Ratio:					
Total interest	\$ 637,239	\$ 635,051	\$ 617,674	\$ 595,697	\$ 564,845
Secured debt principal payments	51,021	54,076	55,635	56,545	57,088
Total fixed charges	688,260	689,127	673,309	652,242	621,933
Adjusted EBITDA	\$ 2,669,153	\$ 2,509,003	\$ 2,378,164	\$ 2,268,925	\$ 2,189,550
Adjusted fixed charge coverage ratio	3.88 x	3.64 x	3.53 x	3.48 x	3.52 x

⁽¹⁾ Primarily relates to the derecognition of leasehold interests and the gain recognized in other income.

⁽²⁾ Represents the write off or recovery of straight-line rent receivable balances relating to leases placed on cash recognition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our leverage ratios include book capitalization, undepreciated book capitalization and enterprise value. Book capitalization represents the sum of net debt (defined as total long-term debt excluding operating lease liabilities less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Enterprise value represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

The table below reflects the reconciliation of our leverage ratios to our balance sheets for the periods presented. Amounts are in thousands, except share price.

	As of				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Book capitalization:					
Unsecured credit facility and commercial paper	\$ —	\$ —	\$ —	\$ —	\$ —
Long-term debt obligations ⁽¹⁾	14,285,686	15,815,226	15,899,420	16,040,530	15,074,320
Cash and cash equivalents and restricted cash	(2,478,335)	(2,076,083)	(2,686,711)	(2,299,069)	(638,796)
Total net debt	11,807,351	13,739,143	13,212,709	13,741,461	14,435,524
Total equity and noncontrolling interests ⁽²⁾	28,547,908	26,371,727	23,818,619	22,193,114	21,596,155
Book capitalization	\$ 40,355,259	\$ 40,110,870	\$ 37,031,328	\$ 35,934,575	\$ 36,031,679
Net debt to book capitalization ratio	29%	34%	36%	38%	40%
Undepreciated book capitalization:					
Total net debt	\$ 11,807,351	\$ 13,739,143	\$ 13,212,709	\$ 13,741,461	\$ 14,435,524
Accumulated depreciation and amortization	9,537,562	9,274,814	8,868,627	8,599,622	8,417,151
Total equity and noncontrolling interests ⁽²⁾	28,547,908	26,371,727	23,818,619	22,193,114	21,596,155
Undepreciated book capitalization	\$ 49,892,821	\$ 49,385,684	\$ 45,899,955	\$ 44,534,197	\$ 44,448,830
Net debt to undepreciated book capitalization ratio	24%	28%	29%	31%	32%
Enterprise value:					
Common shares outstanding	590,934	564,241	532,268	508,159	496,295
Period end share price	\$ 93.44	\$ 90.17	\$ 81.92	\$ 80.89	\$ 71.69
Common equity market capitalization	\$ 55,216,873	\$ 50,877,611	\$ 43,603,395	\$ 41,104,982	\$ 35,579,389
Total net debt	11,807,351	13,739,143	13,212,709	13,741,461	14,435,524
Noncontrolling interests ⁽²⁾	999,965	967,351	864,583	988,673	1,148,000
Consolidated enterprise value	\$ 68,024,189	\$ 65,584,105	\$ 57,680,687	\$ 55,835,116	\$ 51,162,913
Net debt to consolidated enterprise value ratio	17%	21%	23%	25%	28%

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

⁽²⁾ Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our Consolidated Balance Sheets.

Critical Accounting Policies and Estimates

Our unaudited consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions. Management considers an accounting estimate or assumption critical if:

- the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on financial condition or operating performance is material.

Management has discussed the development and selection of its critical accounting policies and estimates with the Audit Committee of the Board of Directors. Management believes the current assumptions and other considerations used to estimate amounts reflected in our unaudited consolidated financial statements are appropriate and are not reasonably likely to change in the future. However, since these estimates require assumptions to be made that were uncertain at the time the estimate was made, they bear the risk of change. If actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our unaudited consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations, liquidity and/or financial condition. Please refer to Note 2 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for further information on significant accounting policies that impact us. There have been no material changes to these policies in 2024.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause Welltower’s actual results to differ materially from Welltower’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters, health emergencies (such as the COVID-19 pandemic) and other acts of God affecting Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower’s reports filed from time to time with the SEC. Other important factors are identified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, including factors identified under the headings “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Finally, Welltower undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates and foreign currency exchange rates. We seek to mitigate the underlying foreign currency exposures with gains and losses on derivative contracts hedging these exposures. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. This section is presented to provide a discussion of the risks associated with potential fluctuations in interest rates and foreign currency exchange rates. For more information, see Notes 12 and 17 to our consolidated financial statements.

We historically borrow on our unsecured revolving credit facility and commercial paper program to acquire, construct or make loans relating to health care and seniors housing properties. Then, as market conditions dictate, we will issue equity or long-term fixed rate debt to repay the borrowings under our unsecured revolving credit facility and commercial paper program. We are subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of refinancing may not be as favorable as the terms of current indebtedness. The majority of our borrowings were completed under indentures or contractual agreements that limit the amount of indebtedness we may incur. Accordingly, in the event that we are unable to raise additional equity or borrow money because of these limitations, our ability to acquire additional properties may be limited.

A change in interest rates will not affect the interest expense associated with our fixed rate debt. Interest rate changes, however, will affect the fair value of our fixed rate debt. Changes in the interest rate environment upon maturity of this fixed rate debt could have an effect on our future cash flows and earnings, depending on whether the debt is replaced with other fixed rate debt, variable rate debt or equity or repaid by the sale of assets. To illustrate the impact of changes in the interest rate markets, we performed a sensitivity analysis on our fixed rate debt instruments after considering the effects of interest rate swaps, whereby we modeled the change in net present values arising from a hypothetical 1% increase in interest rates to determine the instruments’ change in fair value. The following table summarizes the analysis performed as of the dates indicated (in thousands):

Item 3. Quantitative and Qualitative Disclosures About Market Risk

	March 31, 2024		December 31, 2023	
	Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	\$ 11,633,451	\$ (518,810)	\$ 12,800,253	\$ (515,723)
Secured debt	1,591,442	(54,289)	1,625,364	(58,066)
Totals	<u>\$ 13,224,893</u>	<u>\$ (573,099)</u>	<u>\$ 14,425,617</u>	<u>\$ (573,789)</u>

Our variable rate debt, including our unsecured revolving credit facility and commercial paper program, is reflected at fair value. At March 31, 2024, we had \$1,173,972,000 outstanding related to our variable rate debt after considering the effects of interest rate swaps. Assuming no changes in outstanding balances, a 1% increase in interest rates would result in increased annual interest expense of \$11,740,000. At December 31, 2023, we had \$1,496,447,000 outstanding under our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would have resulted in increased annual interest expense of \$14,964,000.

We are subject to currency fluctuations that may, from time to time, affect our financial condition and results of operations. Increases or decreases in the value of the Canadian Dollar or British Pounds Sterling relative to the U.S. Dollar impact the amount of net income we earn from our investments in Canada and the United Kingdom. Based solely on our results for the three months ended March 31, 2024, including the impact of existing hedging arrangements, if these exchange rates were to increase or decrease by 10%, our annualized net income from these investments would increase or decrease, as applicable, by less than \$19,000,000. We will continue to mitigate these underlying foreign currency exposures with non-U.S. denominated borrowings and gains and losses on derivative contracts. If we increase our international presence through investments in, or acquisitions or development of, seniors housing and health care properties outside the U.S., we may also decide to transact additional business or borrow funds in currencies other than U.S. Dollars, Canadian Dollars or British Pounds Sterling. To illustrate the impact of changes in foreign currency markets, we performed a sensitivity analysis on our derivative portfolio whereby we modeled the change in net present values arising from a hypothetical 1% increase in foreign currency exchange rates to determine the instruments' change in fair value. The following table summarizes the results of the analysis performed (dollars in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Value	Change in fair value	Carrying Value	Change in fair value
Foreign currency exchange contracts	\$ 33,743	\$ 970	\$ 10,811	\$ 5,087
Debt designated as hedges	1,511,523	15,115	1,527,380	15,274
Totals	<u>\$ 1,545,266</u>	<u>\$ 16,085</u>	<u>\$ 1,538,191</u>	<u>\$ 20,361</u>

For additional information regarding fair values of financial instruments, see "Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" and Notes 12 and 17 to our unaudited consolidated financial statements.

Item 4. Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by us in the reports we file with or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. No changes in our internal control over financial reporting occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, there are various legal proceedings pending against us that arise in the ordinary course of our business. Management does not believe that the resolution of any of these legal proceedings either individually or in the aggregate will have a material adverse effect on our business, results of operations or financial condition. Further, from time to time, we are party to certain legal proceedings for which third parties, such as tenants, operators and/or managers are contractually obligated to indemnify, defend and hold us harmless. In some of these matters, the indemnitors have insurance for the potential damages. In other matters, we are being defended by tenants and other obligated third parties and these indemnitors may not have sufficient insurance, assets, income or resources to satisfy their defense and indemnification obligations to us. The unfavorable resolution of such legal proceedings could, individually or in the aggregate, materially adversely affect the indemnitors' ability to satisfy their respective obligations to us, which, in turn, could have a material adverse effect on our business, results of operations or financial condition. It is management's opinion that there are currently no such legal proceedings pending that will, individually or in the aggregate, have such a material adverse effect. Despite management's view of the ultimate resolution of these legal proceedings, we may have significant legal expenses and costs associated with the defense of such matters. Further, management cannot predict the outcome of these legal proceedings and if management's expectation regarding such matters is not correct, such proceedings could have a material adverse effect on our business, results of operations or financial condition.

Item 1A. Risk Factors

There have been no material changes from the risk factors identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2024, we acquired shares of our common stock held by employees who tendered shares to satisfy tax withholding obligations upon the vesting of previously issued restricted stock awards. Specifically, the number of shares of common stock acquired from employees and the average prices paid per share for each month in the three months ended March 31, 2024 are as shown in the table below.

Period	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program
January 1, 2024 through January 31, 2024	15,229	\$ 91.91	—	\$ 3,000,000,000
February 1, 2024 through February 29, 2024	19,059	87.36	—	3,000,000,000
March 1, 2024 through March 31, 2024	2,149	93.74	—	3,000,000,000
Totals	36,437	\$ 89.63	—	\$ 3,000,000,000

Under the terms of various partnership agreements of certain of our affiliated limited partnerships, the interest of limited partners may be redeemed, subject to certain conditions, for cash or common shares, at our option. During the three months ended March 31, 2024, we redeemed 19,129 OP Units for common shares.

On November 7, 2022, our Board of Directors approved a share repurchase program for up to \$3,000,000,000 of common stock (the "Stock Repurchase Program"). Under the Stock Repurchase Program, we are not required to purchase shares but may choose to do so in the open market or through privately-negotiated transactions, through block trades, by effecting a tender offer, by way of an accelerated share repurchase program, through the purchase of call options or the sale of put options, or otherwise, or by any combination of the foregoing. We expect to finance any share repurchases using available cash and may use proceeds from borrowings or debt offerings. The Stock Repurchase Program has no expiration date and does not obligate us to repurchase any specific number of shares. We did not repurchase any shares of our common stock through the Stock Repurchase Program during the three months ended March 31, 2024.

Item 5. Other Information

None.

Item 6. Exhibits

10.1	<u>Welltower Inc. 2024-2026 Long-Term Incentive Program.*</u>
10.2	<u>Form of Welltower Inc. 2024-2026 LTIP Form Award Agreement.*</u>
10.3	<u>Form of Welltower OP LLC Profits Interests Plan Option Unit Agreement.*</u>
10.4	<u>Form of Welltower Inc. 2022 Long-Term Incentive Plan Restricted Stock Unit Grant Agreement.*</u>
31.1	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.</u>
32.1	<u>Certification pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer.</u>
32.2	<u>Certification pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer.</u>
101.INS	XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL

* Management contract or Compensatory Plan or Arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under signed thereunto duly authorized.

WELLTOWER INC.

Date: April 30, 2024 By: /s/ SHANKH MITRA
Shankh Mitra,
Chief Executive Officer
(Principal Executive Officer)

Date: April 30, 2024 By: /s/ TIMOTHY G. MCHUGH
Timothy G. McHugh,
Executive Vice President - Chief Financial Officer
(Principal Financial Officer)

Date: April 30, 2024 By: /s/ JOSHUA T. FIEWEGER
Joshua T. Fieweger,
Chief Accounting Officer
(Principal Accounting Officer)

WELLTOWER INC.

2024-2026 LONG-TERM INCENTIVE PROGRAM

1. **PURPOSE.** This 2024-2026 Long-Term Incentive Program (the “**Program**”) is adopted pursuant to the Welltower Inc. 2022 Long-Term Incentive Plan (the “**Equity Plan**”) and any successor equity plan and is intended to provide an incentive for superior work and to motivate executives and employees of Welltower Inc. (the “**Company**”) toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives and employees. The Program is for the benefit of Participants (as defined below).

2. **DEFINITIONS.** Capitalized terms used herein without definitions shall have the meanings given to those terms in the Equity Plan. In addition, as used herein:

“**Adjusted Annualized EBITDA**” means the Company’s earnings before interest, taxes, depreciation and amortization, excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, and additional other income for the three month period beginning on October 1, 2026 and ending on December 31, 2026, and then expressed on an annualized basis.

“**All REIT Index**” means the MSCI US REIT Index.

“**Annualized TSR Percentage**” means $(1 + \text{TSR})^{1/3} - 1$.

“**Award**” means a grant to a Participant hereunder. The Company intends that while Awards may be granted under the Program in any form of grant permitted under the Equity Plan not in conflict with the terms of the Program, the two types of Awards that are intended to be granted are (1) Performance Awards and (2) Time-Based Awards in the form of Options and/or restricted stock units with vesting based on the completion of specified periods of continuous service with the Company and its subsidiaries.

“**Award Notice**” means the restricted stock unit or Option award agreement with a Participant that sets forth the terms, conditions and limitations of the Participant’s participation in this Program, including, without limitation and as may be applicable, the Participant’s Target Award, the Participant’s threshold, target, and high payout multiples and the Time Restriction.

“**Cause**” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “**Cause**” is defined therein, then “**Cause**” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination or the Participant’s employment agreement does not define “**Cause**,” then “**Cause**” shall mean: (i) negligence or willful misconduct by the Participant in connection with the performance of his or her material duties as an employee of the Company or any Subsidiary; (ii) a breach by the Participant of any of his or her material duties as an employee of the Company or any Subsidiary, including but not limited to the provisions of Section 4 herein; (iii) conduct by the Participant against the best interests of the Company or any Subsidiary, including but not limited to a material act of embezzlement or misappropriation of corporate assets, or a material act of statutory or common law fraud against the Company, any Subsidiary or the employees of either the Company or any Subsidiary; (iv) conviction of, or plea of nolo contendere to, any crime that is a felony, involves moral turpitude, or was committed in connection with the performance of Participant’s job responsibilities for the Company; (v) indictment of the Participant of a felony or a misdemeanor involving moral turpitude and such indictment has a material adverse effect on the interests or reputation of the Company or any Subsidiary; (vi) the intentional and willful failure by Participant to substantially perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability) after a demand for substantial performance is made by the Company; (vii) the failure by Participant to satisfactorily perform his or her job responsibilities to the Company (other than any such failure resulting from Participant’s incapacity due to physical or mental disability); or (viii) a breach by Participant of any of the Company’s policies and procedures, including but not limited to the Company’s Code of Business Conduct & Ethics.

“**Change in Corporate Control**” shall have the same meaning as set forth in Section 11.1(a) of the Equity Plan and Section 11.1(c) of the Equity Plan. In addition, in order to qualify as a “**Change in Corporate Control**”, an event must also meet the requirements for a “change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation” with the meaning of Treas. Reg. §1.409A-3(i)(5).

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Common Stock**” or “**Shares**” means the Company’s common stock, par value \$1.00 per share, either currently existing or authorized hereafter.

“**Common Stock Price**” means, as of a particular date, the average of the Fair Market Value of one share of Common Stock over the 20 consecutive trading days ending on, and including such date (or if such date is not a trading day, the most recent trading day immediately preceding such date); provided that, if such date is the date upon which a Change in Corporate Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Compensation Committee, of the total consideration paid or payable in the transaction resulting in the Change in Corporate Control for one share of Common Stock.

“**Compensation Committee**” means the Compensation Committee of the Board of Directors of the Company.

“**Disability**” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “**Disability**” is defined therein, then “**Disability**” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company that defines “**Disability**,” then “**Disability**” shall have the same meaning as defined in the Equity Plan.

“**Dividend Value**” means the aggregate amount of dividends and other distributions paid on one Share for which the record date occurred on or after the first day of the Restrictive Determination Period and prior to the final settlement date on which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares). No dividends or other distributions shall be paid or accrued with respect to Shares subject to an Option.

“**Earned Award**” means, with respect to a Participant’s Performance Award, the actual number of shares of Common Stock that were earned by such Participant pursuant to this Program at the end of the Performance Period based on the achievement of the performance goals set forth in Section 5.

“**Equity Plan**” means the Welltower Inc. 2022 Long-Term Incentive Plan, as amended from time to time.

“**Fair Market Value**” means, as of any given date, the fair market value of a security which shall be the closing sale price reported for such security on the principal national securities exchange on which the security is publicly traded or, if not applicable, any other national securities exchange on which the security is traded or admitted to trading on such date on which a sale was reported. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“**Good Reason**” for termination of the Participant’s employment for purposes of Section 7 means (a) if the Participant is a party to an employment agreement with the Company immediately prior to such termination, and “good reason” is defined therein, then “**Good Reason**” shall have the meaning set forth in such employment agreement, or (b) if the Participant is not party to an employment agreement with the Company immediately prior to such termination and/or the Participant’s employment agreement does not define “**Good Reason**”: (i) a substantial adverse change, not consented to by the Participant, in the nature or scope of the Participant’s responsibilities, authorities, powers, functions, or duties; or (ii) a breach by the Company of any of its material obligations under the Program. Unless otherwise provided in an employment agreement to which the Participant is a party immediately prior to such termination, to constitute a termination on account of “**Good Reason**,” the Participant must: (1) provide written notice to the Company within 90 days of the initial existence of the event constituting “**Good Reason**,” (2) may not terminate his or her employment unless the Company fails to substantially remedy the event constituting “**Good Reason**” within 30 days after such notice has been given; and (3) the Participant must terminate employment with the Company no later than 30 days after the end of the 30-day period in which the Company fails to substantially remedy the event constituting “**Good Reason**.”

“**Health Care Facilities**” means any senior housing facilities or facilities used or intended primarily for the delivery of health care services, including, without limitation, any active adult communities, independent living facilities, assisted living facilities, skilled nursing facilities, inpatient rehabilitation facilities, ambulatory surgery centers, outpatient medical treatment facilities, medical office buildings, hospitals not excluded below, or any similar types of facilities or enterprises, but in any event excluding acute care hospitals or integrated health care delivery systems that include acute care hospitals.

“**Health Care REIT Index**” means the FTSE NAREIT Health Care REIT Index on the Grant Date (or a successor index including a comparable universe of publicly traded U.S. real estate investment trusts), in each case adjusted and reweighted to exclude the Company from the index. Any health care REIT organization that is not in existence for the entire Performance Period shall be omitted from this index.

“**Index Return**” means, with respect to the Performance Period, the return of either the Health Care REIT Index, or the All REIT Index, as applicable, over the Performance Period expressed as a percentage. For the avoidance of doubt, the intent of the Compensation Committee is that Index Return over the Performance Period be calculated in a manner designed to produce a fair comparison between the Company’s TSR and the Index Return for the purpose of determining Relative Performance. In the case of the Health Care REIT Index, the Index Return shall be computed as the sum of each component company’s weighted TSR with each component company’s weight as the average of its relative market capitalization at the beginning of the Performance Period.

“**Net Debt + Preferred**” means the sum of (a) the Company’s long-term debt, less cash and cash equivalents, and (b) the total amount of the Company’s preferred stock as of the end of the Performance Period (or other applicable designated period).

“**Options**” means the rights to purchase shares of Common Stock granted pursuant to Article IV of the Equity Plan, including both ISOs and Nonstatutory Options.

“**Participant**” means an executive or employee of the Company or any Subsidiary selected by the Compensation Committee to participate in the Program.

“**Performance Award**” means an award, expressed as a number of restricted stock units reflecting achievement of the Target Award. Such number of restricted stock units shall be equal to the sum arrived at by (1) applying the weighting of each applicable performance goal set forth on Exhibit A to the aggregate target value of the award (expressed in dollars) established by the Compensation Committee at the time of grant, (2) dividing the weighted target value for each performance goal by the Common Stock Price on the Grant Date (as described in further detail in Exhibit A), and (3) rounding to the nearest whole share of Common Stock, that vests upon the achievement of performance goals at the end of a Performance Period.

“**Performance Period**” means the period commencing on January 1, 2024 and concluding on the earlier of (i) December 31, 2026, or (ii) a Change in Corporate Control.

“**Program**” means this Welltower Inc. 2024-2026 Long-Term Incentive Program, as amended from time to time.

“**Qualified Termination**” means termination of a Participant’s employment for Good Reason, by reason of the Participant’s death, Disability, by the Company without Cause, Retirement and in the case of a Participant who is party to a fixed-term employment agreement with the Company, a non-renewal by the Company of the term of such agreement.

“**Relative Performance**” means the Company’s TSR relative to the applicable Index Return, as expressed as an Annualized TSR Percentage.

“**Restricted Period**” means a period of one year for a Participant holding the title of Senior Vice President or above at the time of termination of employment and a period of six (6) months for a Participant holding the title of Vice President at the time of termination of employment. For any Participant holding a title below the level of Vice President (including but not limited to Assistant Vice President, Director or Manager), there shall be no post-employment Restricted Period.

“Restrictive Determination Period” means (a) the Performance Period in the case of a Performance Award and (b) the period of time during which the applicable Time Restriction has not yet fully lapsed in the case of a Time-Based Award.

“Retirement” means the voluntary termination of employment by a Participant after attaining age 55 and completing ten consecutive full years of service; provided, however, that the sum of the Participant’s age and consecutive full years of service to the Company shall be equal to 70 or more; and provided further that the Participant (a) delivers to the Company, so that the Company receives or is deemed to have received in accordance with Section 12(i) at least six months prior to the date of his or her retirement, written notice specifying such retirement date, (b) remains in the continuous service of the Company from the date the written notice is received until his or her retirement date, and (c) enters into a retirement agreement with the Company in such form as shall be determined by the Company from time to time that includes both (i) a customary release of claims covering the Company and its affiliates, and (ii) an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and nondisclosure covenants in favor of the Company and related persons as set forth in Section 4.

“Target Award” means a Participant’s Performance Award, expressed as a number of restricted stock units assuming performance at the “Target” level as set forth in Exhibit A of this Program, for the Performance Period, as set forth in the Participant’s Award Notice.

“Time-Based Award” means an award, expressed as a number of Options and/or restricted stock units, that vests upon the lapse of the Time Restriction.

“Time Restriction” means the period of time set forth in the Award Notice during which a Time-Based Award (or portion thereof) is unvested and forfeitable based on the completion of periods of continued employment with the Company or as otherwise expressly set forth in this Program.

“Total Shareholder Return” or **“TSR”** means for the common stock of the applicable company, the total shareholder return (share price appreciation/depreciation during the applicable Performance Period plus the value attributable to reinvested dividends paid on the shares during the applicable Performance Period). The TSR shall be expressed as a percentage. The calculation of TSR will be based on the average closing price of the shares for the twenty trading days immediately preceding the first day of the Performance Period and the average closing price of the shares for the twenty trading days immediately preceding the last day of the applicable Performance Period. The TSR will be calculated assuming that cash dividends (including extraordinary cash dividends) paid on the shares are reinvested in additional shares on the ex-dividend date and that any securities distributed to shareholders in a spinoff transaction are sold and the proceeds reinvested in additional shares on the ex-dividend date.

“Vested Award” means a Time-Based Award (or portion thereof) that is fully vested and nonforfeitable due to the lapse of the applicable Time Restriction.

3. ADMINISTRATION

(a) The Program shall be administered by the Compensation Committee in accordance with the Equity Plan. The Compensation Committee shall have the discretionary authority to make all determinations (including, without limitation, the interpretation and construction of the Program and the determination of relevant facts) regarding the entitlement to any Award hereunder and the amount of any Award to be paid under the Program (including the number of shares of Common Stock issuable to any Participant), provided such determinations are not made in bad faith and are not contradictory to the written terms of the Program. The Compensation Committee may delegate to one or more officers or employees of the Company some or all of its authority to administer the Program as described in this Section 3, and in the event of such delegation, references to the Compensation Committee in this Section 3 shall apply in the same manner to such delegate or delegates to the extent of such delegated authority. In particular, but without limitation and subject to the foregoing, the Compensation Committee shall have the authority:

- (i) to select Participants under the Program in its sole discretion;
- (ii) with respect to Performance Awards, to determine the Target Award and any formula or criteria for the determination of the Target Award for each Participant and such individual’s Performance Award and to determine the Earned Award;

- (iii) with respect to Time-Based Awards, to determine the applicable Time Restriction;
- (iv) to determine the terms and conditions, consistent with the terms of this Program, which shall govern Award Notices and all other written instruments evidencing an Award hereunder, including the waiver or modification of any such conditions;
- (v) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Program as it shall from time to time deem advisable; and
- (vi) to interpret the terms and provisions of the Program and any Award granted under the Program (and any Award Notices or other agreements relating thereto) and to otherwise supervise the administration of the Program.

(b) Subject to the terms hereof, all decisions made by the Compensation Committee (or any officer or employee of the Company to whom it has delegated some or all of its authority to administer the Program) not made in bad faith pursuant to the Program shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Compensation Committee, and no officer or employee of the Company acting on behalf of the Compensation Committee, shall be personally liable for any action, determination, or interpretation taken or made not in bad faith with respect to this Program, and all members of the Compensation Committee and each and every officer or employee of the Company acting on their behalf shall, to the fullest extent not prohibited by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

4. CONDITIONS OF PARTICIPATION

As a condition of entitlement to participate in the Program, whether or not the Participant receives any payment or other benefit under the Program, each Participant shall comply with the following restrictive covenants.

(a) Protection of Confidential Information. Participant, both during employment with the Company and thereafter, shall not, directly or indirectly, disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below) except as may be required for Participant to perform in good faith his or her job responsibilities to the Company while employed by the Company. Upon Participant's termination of employment, Participant shall return to the Company all Confidential Information and shall not retain any Confidential Information in Participant's possession that is in written or other tangible form and shall not furnish any such Confidential Information to any third party, except as provided herein. Notwithstanding the foregoing, this Section 4(a) shall not apply to Confidential Information that (i) was publicly known at the time of disclosure to Participant, (ii) becomes publicly known or available thereafter other than by any means in violation of this Section 4 or any other duty owed to the Company by Participant, (iii) is lawfully disclosed to Participant by a third party, or (iv) is required to be disclosed by law or by any court, arbitrator or administrative or legislative body with actual or apparent jurisdiction to order Participant to disclose or make accessible any information or is voluntarily disclosed by Participant to law enforcement or other governmental authorities. Furthermore, in accordance with the Defend Trade Secrets Act of 2016, Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. As used in this Program, Confidential Information means, without limitation, any nonpublic confidential or proprietary information disclosed to Participant or known by Participant as a consequence of or through Participant's relationship with the Company, in any form, including electronic media. Confidential Information also includes, but is not limited to, the Company's business plans and financial information, marketing plans, and business opportunities. Nothing herein shall limit in any way any obligation Participant may have relating to Confidential Information under any other agreement, promise or duty to the Company.

(b) Non-Competition. In the course of the performance of Participant's job responsibilities for the Company, Participant has obtained and will continue to obtain extensive and valuable knowledge and information concerning the Company's business (including confidential information relating to the Company and its operations, intellectual property, assets, contracts, customers, personnel, plans, marketing plans, research and

development plans and prospects). Accordingly, during employment with the Company and for the applicable Restricted Period following Participant's termination of employment, Participant will not engage in any business activities on behalf of any enterprise which competes with the Company or any of its affiliates in the business of (i) ownership or operation of Health Care Facilities; (ii) investment in or lending to Health Care Facilities (including to an owner or developer of Health Care Facilities); (iii) management of Health Care Facilities; or (iv) provision of any consulting, advisory, research or planning or development services to Health Care Facilities.

Participant will be deemed to be engaged in such competitive business activities if Participant participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities. If Participant provides services to an enterprise that has some activities that compete with the Company or any of its affiliates in any area described above and other activities that do not compete with the Company or any of its affiliates in any of the areas described above, then so long as Participant provides services exclusively to the portion of such enterprise that does not compete with the Company and its affiliates, Participant will not be deemed to be engaged in a competitive business activity as described in this Section 4(b).

(c) Non-Solicitation. During employment with the Company and for one year following the end of Participant's employment with the Company, Participant, to the fullest extent not prohibited by applicable law, directly or indirectly, individually or on behalf of any other person or entity, including Participant, will not encourage, induce, attempt to induce, recruit, attempt to recruit, solicit or attempt to solicit or participate in any way in hiring or retaining for employment, contractor or consulting opportunities anyone who is employed or providing full-time services as a consultant at that time by the Company or any subsidiary or affiliate of the Company.

(d) Non-Disparagement. At all times during and following Participant's employment with the Company, Participant will not make, or direct anyone else to make on Participant's behalf, any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Participant will not make any direct or indirect written or oral statements to the press, television, radio, on social media or to, on or through other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. The restrictions described in this paragraph shall not apply to any truthful statements made in response to a subpoena or other compulsory legal process or to law enforcement or other governmental authorities.

(e) Remedies. For the avoidance of doubt, any breach of any of the provisions in this Section 4 shall constitute a material breach by Participant. Among the remedies that the Company may pursue in the event that such breach occurs prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein. Notwithstanding any other provision of this Program, by becoming entitled to receive any payments or other benefits under this Program, Participant is deemed to have agreed that damages would be an inadequate remedy for the Company in the event of a breach or threatened breach by Participant of any of Sections 4(a) through 4(d), inclusive. In the event of any such breach or threatened breach, and without relinquishing any other rights or remedies that the Company may have, including but not limited to the forfeiture or repayment by Participant of any payments or benefits otherwise payable or paid to Participant under this Program, the Company may, either with or without pursuing any potential damage remedies and without being required to post a bond, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating this Section 4 and requiring Participant to comply with its provisions. The Company may present this Section 4 to any third party with which Participant may have accepted employment, or otherwise entered into a business relationship, that the Company contends violates this Section 4, if the Company has reason to believe Participant has or may have breached a provision of this Section 4.

5. DETERMINATION OF AWARDS

(a) Each Participant's Award Notice shall specify, as applicable, such Participant's Target Award (expressed as a number of restricted stock units) and threshold, target, and high payout multiples or Time Restriction.

(b) With regard to a Performance Award, the percentage of a Participant's Target Award that may be earned for the Performance Period shall be determined as follows: 40 percent of the Target Award shall be earned based on the Company's Relative Performance to the Health Care REIT Index; 40 percent of the Target Award shall be earned based on the Company's Relative Performance to the All REIT Index; and 20 percent of the Target Award shall be earned based on the Company's (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio; all as further set forth on Exhibit A.

(c) Depending on the score for each of the performance goals of a Performance Award as determined pursuant to Exhibit A, the Earned Award for the Performance Period shall be determined based on the Participant's individual threshold, target and high payout multiples described in the Participant's Award Notice. For performance between two different tiers, the percentage payable shall be calculated using linear interpolation between tiers. The level of achievement for each listed performance goal shall be determined independently.

(d) With regard to a Time-Based Award, the Time Restriction included in the Award Notice shall generally not be less than three years from the Date of Grant; provided, that such an Award Notice may permit pro rata vesting over such time.

(e) Except as otherwise provided herein, the Earned Award and Vested Award shall be paid in shares of Common Stock upon satisfaction of the requirements as set forth in Section 8.

6. CHANGE IN CORPORATE CONTROL. In the event that prior to December 31, 2026, a Change in Corporate Control occurs, then the following provisions shall apply:

(a) In the case of a Performance Award, each such outstanding Award will be deemed earned as of the date of such Change in Corporate Control in accordance with the computation described in Section 5(b) as if the Performance Period ended on the day prior to the consummation of the Change in Corporate Control, except that corporate metrics not tied to TSR shall be calculated based on the results through the most recent completed fiscal quarter, but each Award shall further be multiplied by a fraction, the numerator of which shall be the number of full and partial months from the beginning of the Performance Period through the Change in Corporate Control and the denominator of which shall be 36. Notwithstanding Sections 4 and 8(b), any shares of Common Stock issued to satisfy such outstanding Earned Awards shall be fully vested and nonforfeitable.

(b) In the case of a Time-Based Award, the Time Restriction applicable to such Time-Based Award shall lapse in its entirety and such award shall become a Vested Award if either (i) the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace such other awards on proportionate and equitable terms or (ii) the Participant is terminated without Cause upon or within 12 months following the Change in Corporate Control.

7. TERMINATION OF PARTICIPANT'S EMPLOYMENT.

(a) If a Participant's employment with the Company terminates, the provisions of this Section 7 shall govern the treatment of the Participant's Award exclusively, regardless of the provisions of any employment, change in control or other agreement or arrangement to which the Participant is a party, or any termination or severance policies of the Company then in effect, which shall be superseded by this Program.

(b) In the event of termination of a Participant's employment by reason of a Qualified Termination prior to the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) In the case of a Performance Award, the Compensation Committee shall determine the Participant's Earned Award in accordance with the computation described in Section 5(b) as if the Performance Period ended on the calendar quarter end immediately preceding the date of the Participant's Qualified Termination; provided, however, that the Earned Award of such terminated Participant for the Performance Period shall be multiplied by a fraction, the numerator of which shall be the number of complete months during which the Participant was an employee of the Company during the Performance Period and the denominator of which shall be the total number of months in the Performance Period. The pro-rated Earned Award shall be paid out in shares of Common Stock that are fully vested.

(ii) In the case of a Time-Based Award, the Participant shall retain the portion of the Time-Based Award that is a Vested Award with any Time-Based Award in the form of Options that has not yet been exercised remaining outstanding and exercisable for the period of time set forth in the Award Notice. Unless otherwise determined by the Compensation Committee, the unvested portion of the Time-Based Award shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and become null and void and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested portion of the Time-Based Award.

(c) In the event of termination of a Participant's employment by reason of a Qualified Termination after the end of the applicable Restrictive Determination Period, then the following provisions shall apply:

(i) Any portion of the Participant's Earned Award or Time-Based Award in the form of restricted stock units that has not yet been settled shall become fully vested and shall be paid out in shares of Common Stock; and

(ii) Any portion of the Participant's Time-Based Award in the form of Options that has not yet been exercised shall remain outstanding and exercisable for the period of time set forth in the Award Notice.

(d) As a condition of receiving any payments or benefits under this Program on account of Participant's Qualified Termination, the Company may, in its sole discretion, require Participant to deliver an irrevocable, effective release of claims in the form determined by the Company and/or an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4.

(e) In the event of a termination of a Participant's employment for any reason other than a Qualified Termination prior to the end of the applicable Restrictive Determination Period, except as otherwise set forth in the Participant's Award Notice or as otherwise determined by the Compensation Committee, the Award held by the Participant during the Performance Period or portion of the Award for which the Time Restriction has not lapsed shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Award. In the event of a termination of a Participant's employment for any reason other than a Qualified Termination after the end of the applicable Restrictive Determination Period, any portion of the Earned Award or Time-Based Award in the form of restricted stock units that has not yet been settled in shares of Common Stock shall be forfeited and the vested portion of any Options that has not yet been exercised shall remain outstanding and exercisable for the period of time set forth in the Award Notice.

8. PAYMENT OF AWARDS.

(a) As soon as practicable following the end of the applicable Restrictive Determination Period:

(i) The portion of a Time-Based Award in the form of restricted stock units for which the Time Restriction has lapsed shall be settled in shares of Common Stock; and

(ii) In the case of a Performance Award, the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period.

The date on which such settlement of the Awards occurs shall be referred to herein as the "**Issuance Date**". In no event shall the Issuance Date with respect to the end of the Restrictive Determination Period for an Award be later than 74 days after the end of the applicable Restrictive Determination Period or on such later date as provided by the Compensation Committee (or in the case of a Performance Award, as set forth under Section 8(b) below); provided that (i) in the case of the Performance Period (in the case of a Performance Award) or Time Restriction (in the case of a Time-Based Award) that ends upon a Change in Corporate Control, the Issuance Date shall be no later than immediately prior to the consummation of the Change in Corporate Control, and (ii) in the case of a determination

required by Section 7(b), the Issuance Date shall generally be no later than 74 days after the date of the Participant's Qualified Termination or on such later date as provided by the Compensation Committee.

The portion of a Time-Based Award in the form of Options for which the Time Restriction has lapsed shall be paid in shares of Common Stock following the exercise of such Time-Based Award in accordance with the terms set forth in the Award Notice.

(b) Except as otherwise provided in Sections 6 and 7, on the vesting date described below, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Performance Award a number of shares of Common Stock equal to the vested portion of the Earned Award. Subject to a Participant's continued employment with the Company or a subsidiary and continued compliance with the restrictive covenants set forth in Section 4 through such date, the Shares subject to a Participant's Earned Award shall be vested as of the date that the Compensation Committee shall determine the amount of each Participant's Earned Award, if any, with respect to the Performance Period. In addition, on the vesting date (or on the Issuance Date with regard to an Earned Award settled in accordance with Section 6 or 7), the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the unpaid Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(b) on such date.

(c) Except as otherwise provided in Sections 6 and 7, the Company shall issue to each Participant (or such Participant's estate or beneficiary, if applicable) with regard to a Time-Based Award a number of shares of Common Stock equal to the vested portion of the Time-Based Award in the form of restricted stock units on the Issuance Date or, for the vested portion of the Time-Based Award in the form of Options that is exercised in accordance with the Award Notice, the exercise date. In addition, on the Issuance Date of each Time-Based Award in the form of restricted stock units, the Company shall pay in cash to each Participant (or such Participant's estate or beneficiary, if applicable) an amount equal to the unpaid Dividend Value multiplied by the number of Shares issued pursuant to Section 6, Section 7 or this Section 8(c) on such date. No dividends or other distributions shall be paid or accrued with respect to Shares subject to an Option.

(d) Notwithstanding any other provision of the Program to the contrary, the Company shall pay in cash to each Participant holding a Time-Based Award in the form of restricted stock units granted under the Program an amount equal to the dividends and other distributions paid on a Share (multiplied by the number of restricted stock units held by such Participant) for which the record date occurred on or after the date that such restricted stock units were granted and prior to the final settlement date on which shares of Common Stock are issued to a Participant (excluding dividends and distributions paid in the form of additional Shares).

9. ADJUSTMENTS. Without duplication with the provisions of Sections 3 and 12 of the Equity Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of Shares, sale of all or substantially all of the assets or Shares of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Compensation Committee necessitates action by way of adjusting the terms of the Program, then and in that event, the Compensation Committee shall take such action as shall be necessary to maintain the Participants' rights hereunder so that they are substantially the same rights existing under this Program prior to such event.

10. RESTRICTIONS AND CONDITIONS; NON-TRANSFERABILITY OF AWARDS. Subject to the provisions of the Equity Plan and this Program, except as may otherwise be permitted by the Compensation Committee, a Participant shall not be permitted voluntarily or involuntarily to sell, assign, transfer, or otherwise encumber or dispose of any Award granted hereunder; provided that the foregoing restriction shall not apply to Shares actually issued to a Participant.

11. WITHHOLDING OF TAX. Unless otherwise agreed to between the Company and a Participant, the Company will cause the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) to be satisfied by withholding a number of Shares to be issued to a Participant with an aggregate Fair Market Value that would satisfy the withholding amount due. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on

tax withholding obligations being satisfied by such Participant or through the Company's exercise of its authority. The Compensation Committee expressly provides that the required minimum tax withholding obligation (or such other rate that will not cause an adverse accounting consequence or cost) of an Award granted to a Participant who is an officer within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended, shall be satisfied by withholding a number of whole Shares to be issued to the Participant with an aggregate Fair Market Value that fully satisfies the withholding amount due.

12. MISCELLANEOUS.

(a) Amendment and Termination. The Company reserves the right to amend or terminate the Program at any time in its discretion without the consent of any Participant, but no such amendment shall adversely affect the rights of the Participants with regard to outstanding Awards in any material respect.

(b) No Contract for Continuing Services. This Program shall not be construed as creating any contract for continued services between the Company or any of its Subsidiaries and any Participant, and nothing herein contained shall give any Participant the right to be retained as an employee or consultant of the Company or any of its Subsidiaries or to receive any future awards or benefits under the Equity Plan.

(c) Governing Law. The Program and each Award Notice awarded under the Program shall be construed in accordance with and governed the laws of the State of Ohio, without regard to principles of conflict of laws of such state; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

(d) Arbitration. Subject to Section 4(e) hereof, all claims, disputes, questions, or controversies arising out of or relating to this Program, will be resolved exclusively in final and binding arbitration held under the auspices of Judicial Arbitration & Mediation Services, Inc. ("JAMS") in accordance with JAMS then current Employment Arbitration Rules and Procedures, or successor rules then in effect. The arbitration will be held in New York, New York, and will be conducted and administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Participant and the Company will select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided by this Program, the Federal Arbitration Act will govern the administration of the arbitration proceedings. The arbitrator will apply the substantive law (and the law of remedies, if applicable) of the State of Ohio, or federal law, if Ohio law is preempted, and the arbitrator is without jurisdiction to apply any different substantive law. Participant and the Company will each be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator consistent with the nature of the claim(s) in dispute. The arbitrator will have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and will apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator will render a written award and supporting opinion that will set forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be entered in any court of competent jurisdiction. The Company will pay the arbitrator's fees, as well as all administrative fees, associated with the arbitration. Each party will be responsible for paying its own attorneys' fees and costs (including expert witness fees and costs, if any), provided, however, that the arbitrator may award attorney's fees and costs to the prevailing party, except as prohibited by law. If the Company is the prevailing party, the arbitrator may award some or all of the costs for the arbitrator's fees and/or other administrative fees to the fullest extent not prohibited by law. The existence and subject matter of all arbitration proceedings, including, any settlements or awards thereunder, shall remain confidential.

(e) Construction. Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

(f) Headings. The Section headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of this Program, the text shall control.

(g) Effect on Other Plans. Nothing in this Program shall be construed to limit the rights of Participants under the Company's or its Subsidiaries' benefit plans, programs or policies.

(h) Clawback Policy. All Awards granted under this Program shall be subject to forfeiture (as determined by the Compensation Committee) in accordance with the terms of the Company's clawback or recoupment policy (as in effect from time to time). Furthermore, prior to the occurrence of a Change in Corporate Control, an Award (including an Earned Award and Vested Award) granted under this Program and shares of Common Stock issued under this Program to a Participant shall be subject to forfeiture in the event that a Participant breaches any provision of Section 4 herein.

(i) Notices. Any notice provided for under this Program shall be in writing and may be delivered in person or sent by overnight courier, certified mail, or registered mail (return receipt requested), postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

If to the Company: Welltower Inc., 4500 Dorr Street, Toledo, OH 43615 Attention: Legal Department

If to a Participant, at the address on file with the Company's Human Resources Department.

The actual date of mailing, as shown by a mailing receipt therefor, shall determine the time at which notice was given. Any Participant may change the address at which notice shall be given by notifying the Company in the manner set forth in this Section 12(i). The Company may change the address at which notice shall be given by notifying each Participant in the manner set forth in this Section 12(i).

(j) Section 409A.

(1) This Program is intended to either be exempt from or comply with Section 409A of the Code ("**Code Section 409A**") and will be interpreted in a manner consistent with such intent. Any provision that would cause this Program or any payment hereunder to fail to satisfy Code Section 409A of the Code shall have no force or effect until amended to the minimum extent required to comply with Code Section 409A, which amendment may be retroactive to the extent permitted by Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits that may be considered "deferred compensation" under Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Program, references to a "retirement," "termination," "termination of employment" or like terms shall mean such a "separation from service".

(2) Any payment scheduled to be made under this Program that may be considered made under a "nonqualified deferred compensation plan" subject to Code Section 409A (after taking into account all exclusions applicable to such payments or benefits under Code Section 409A), that are otherwise due on or within the six-month period following termination of employment will accrue during such six-month period and will instead become payable in a lump sum payment on the first business day period following such six-month period. Furthermore, notwithstanding any contrary provision herein, if any other payments of money or other benefits due to a Participant under this Agreement could cause the application of an accelerated or additional tax under Code Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax.

(3) Notwithstanding any contrary provision herein, a Participant's right to any payment (including each installment payment) under this Program shall be treated as a "separate payment" within the meaning of Code Section 409A.

END OF PROGRAM DOCUMENT

Exhibit A

2024-2026 LTI — Forward Looking	Weighting	Threshold ⁴	Target	High⁵
<i>Payout for Relative TSR Performance Measures</i>		<i>18.8%</i>	<i>100%</i>	<i>225%</i>
<i>Relative Performance to Health Care REIT Index¹</i>	40%	-600 bps	+100 bps	+ 600 bps
<i>Relative Performance to All REIT Index (MSCI) ²</i>	40%	-600 bps	+100 bps	+ 600 bps
<i>Payout for Financial Performance Measure</i>		<i>50%</i>	<i>100%</i>	<i>200%</i>
<i>(Net Debt + Preferred) / Adjusted Annualized EBITDA³</i>	20%	6.03 x	5.53 x	5.03 x

1. Exceeding index performance by 100 points is achievement at the “Target” level. Exceeding index performance by 600 basis points results in payout at the “High” level, which is the maximum payout level. Trailing index performance by 600 basis points results in a payout at the “Threshold” level.

2. Same as #1 above.

3. The “Target” payout level is set at the (Net Debt + Preferred)/Adjusted Annualized EBITDA ratio of 5.53 x. “Threshold” will be met at a ratio at 6.03 x. The “High” payout level will be met at a ratio at or below 5.03 x. The Net Debt + Preferred goals are based upon the amount as of December 31, 2023 and the (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio goals are based upon Adjusted Annualized EBITDA for the period beginning on October 1, 2023 and ending on December 31, 2023. For purposes of measuring achievement for the Performance Period, Net Debt + Preferred shall be calculated as of December 31, 2026 and the (Net Debt + Preferred) / Adjusted Annualized EBITDA ratio shall be based upon Adjusted Annualized EBITDA for the period beginning on October 1, 2026 and ending on December 31, 2026

4. “Threshold” payout is 18.8% of the “Target” level for all Participants for the relative TSR performance measures and 50% of the “Target” level for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.

5. “High” payout is 225% of the “Target” level for all Participants for the relative TSR performance measures and 200% of the “Target” level for the (Net Debt + Preferred) / Adjusted Annualized EBITDA performance measure.

The Program also has a stock price cap of \$150. In addition, after vesting, the named executive officers have a 2-year holding period requirement while all other participants have a 1-year holding period requirement.

In the event the Company’s performance shall fall between two levels in the above chart, linear interpolation shall be used to determine the percentage of the Target Award earned. Achievement of a performance goal expressed as a percentage shall be rounded to the nearest tenth of a whole percentage point.

AWARD AGREEMENT

WELLTOWER INC. 2024-2026 LONG-TERM INCENTIVE PROGRAM

THIS LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT (the “**Agreement**”), made this #GrantDate#, between Welltower Inc., a Delaware corporation (the “**Corporation**”), and #ParticipantName# (the “**Participant**”).

WHEREAS, the Participant is an employee of the Corporation; and

WHEREAS, the Corporation adopted the Welltower Inc. 2022 Long-Term Incentive Plan (the “**Plan**”) and the 2024-2026 Long-Term Incentive Program (the “**LTIP**”) in order to provide select executives and key employees with incentives to achieve long term corporate objectives; and

WHEREAS, the Compensation Committee of the Corporation’s Board of Directors has determined that the Participant should be granted a restricted stock unit award subject to performance-based vesting conditions and/or time-based vesting conditions on the terms set forth in the LTIP and herein; and

WHEREAS, the restricted stock unit award granted to the Participant shall be payable in shares of the Corporation’s common stock, \$1.00 par value per share (“**Common Stock**”), upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP; and

WHEREAS, the Participant shall have the ability to elect to receive Options in lieu of a restricted stock unit award with vesting based on time-based vesting conditions; and

WHEREAS, any Options granted to the Participant hereunder shall be exercised for shares of Common Stock upon the satisfaction of the conditions set forth below and in accordance with the terms of the LTIP and the Plan.

NOW, THEREFORE, in consideration of the past and future services provided to the Corporation by the Participant and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. GRANT OF AWARD.

The Corporation hereby grants to the Participant one or both of the following:

- A Performance Award of #GrantCustom1# performance-based restricted stock units that shall become vested assuming performance at the “Target” level as set forth in Exhibit A of this Program (the “**Performance Award**”) also referred to in the Program as the “Target Award”) on January 24, 2024 (the “**Date of Grant**”), payable in shares of Restricted Stock, subject to satisfaction of the restrictions, vesting conditions and other terms set forth in this Agreement.
- An award with time-based vesting conditions (the “**Time-Based Award**”) comprised of (1) #GrantCustom2# time-based restricted stock units and/or (2) #GrantCustom3# time-based Options on the Date of Grant, which shall vest subject to the Participant’s continued employment, in accordance with the following schedule: one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2025, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2026, one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2027, and one-fourth of such shares will become fully vested and nonforfeitable (or, for Options, exercisable) on January 15, 2028 (each such date, the “**Vesting Date**”). Upon vesting, the restricted stock units shall become issuable in shares of Common Stock and the Options shall become exercisable for shares of Common Stock. The exercise price of any time-based Options shall be \$#GrantCustom4, which is equal to the closing price of the Common Stock on the Date of Grant. Such Options shall not have any common stock dividends or dividend equivalents paid and shall have a maximum term of ten years.

The Performance Award and the Time-Based Award shall be referred to herein as the “**Award**”. The Participant shall not be required to provide the Corporation with any payment (other than his or her past and future services to the Corporation or payment of the exercise price upon exercise of any exercisable Options) in exchange for the Award or in exchange for the issuance of shares of Common Stock (upon (1) the determination of the Earned Award and satisfaction of the applicable periods of continued service with the Corporation in the case of a Performance Award or (2) the lapse of the applicable Time Restriction in the case of a Time-Based Award and the payment of the exercise price in the case of exercisable Options).

2. DELIVERY OF SHARES.

(a) The Participant shall not be entitled to the issuance of shares of Common Stock or to receive any dividends or distributions with respect to the Performance Award until the determination of the Earned Award (in the case of the Performance Award) as provided in the LTIP and in Section 3 or 5 below or lapse of the applicable Time Restriction, and in the case of Options, the payment of the exercise price (in the case of the Time-Based Award). For avoidance of doubt, no Options shall have any common stock dividends or dividend equivalents paid or accrued prior to the time of exercise. Further, the Participant shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Participant. For any restricted stock units that are part of a Time-Based Award granted hereby, the Participant shall be entitled to receive any dividends and other distributions paid on a share of Common Stock to the extent provided in the LTIP.

(b) The Participant’s Performance Award and Time-Based Award may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant, and the underlying shares of Common Stock potentially issuable to the Participant under this Agreement may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant until such shares are so issued and cease to be subject to a risk of forfeiture. Any attempt to dispose of the Participant’s Award or shares issued thereunder in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

3. ISSUANCE OF SHARES.

The Corporation shall issue shares of Common Stock to the Participant in accordance with the provisions of Section 8 of the LTIP. Any shares of Common Stock subject to Options shall not be issued until exercised in accordance with the LTIP and Section 4.1 of the Plan.

4. TAX WITHHOLDING.

The Corporation shall satisfy its tax withholding obligations in accordance with Section 11 of the LTIP.

5. TERMINATION OF EMPLOYMENT.

In the event of the end of the Participant’s employment with the Corporation prior to the time that all vested shares of Common Stock, if any, are issued under the LTIP, the Award shall be administered in accordance with Section 7 of the LTIP. Any Options that are part of a Vested Award shall remain exercisable after the end of the Participant’s employment with the Corporation for the following periods (but in no event longer than the ten year maximum term of the Options): (1) eighteen (18) months in the event of the Participant’s death, (2) twelve (12) months in the event of the Participant’s Qualified Termination other than death, (3) three (3) months in the event of the Participant’s termination of employment that is neither a Qualifying Termination nor for Cause, and (4) no period of time following the Participant’s termination of employment in the event of a termination for Cause.

6. DEFINITIONS.

Capitalized terms used herein without definitions shall have the meanings given to those terms in the LTIP.

7. SECURITIES LAWS.

The Corporation may from time to time impose such conditions on the vesting of the Award, and/or the issuance of shares of Common Stock upon vesting (and in the case of Options, exercise) of the Award, as it deems reasonably necessary to ensure that any grant of the Award and issuance of shares of Common Stock under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock until

the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 7, such issuance shall occur as soon as administratively reasonable following the earliest date on which it would not violate applicable law.

8. GRANT NOT TO AFFECT EMPLOYMENT.

Neither this Agreement nor the Award granted hereunder shall confer upon the Participant any right to continued employment with the Corporation. This Agreement shall not in any way modify or restrict any rights the Corporation may have to terminate such employment.

9. ADJUSTMENTS TO AWARD.

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the Award granted to the Participant under this Agreement shall be adjusted by the Compensation Committee pursuant to Section 9 of the LTIP and Sections 3 and 12 of the Plan in such manner as the Compensation Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Participant.

10. MISCELLANEOUS.

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(c) The provisions of the Plan and LTIP are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan or the LTIP, the provisions of the Plan and the LTIP shall control.

(d) The Award granted under this Agreement is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), under the exemption for “short-term deferrals” under Treasury Regulation Section 1.409A-1(b)(4) or options to purchase “service recipient stock” under Treasury Regulation Section 1.409A-1(b) (5), and shall be interpreted in a manner consistent with the requirements for such exemptions. To the extent that changes are necessary to ensure that the Award and any related dividend equivalent rights comply with any additional requirements for such exemptions imposed by future IRS guidance on the application of Section 409A of the Code, the Participant and the Corporation agree to cooperate and work together in good faith to timely amend this Agreement so that the Award and any dividend equivalent rights will not be treated as deferred compensation subject to the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

PARTICIPANT **WELLTOWER INC.**

By: #Signature# By: //Matthew G. McQueen

Name: #ParticipantName# Name: Matthew G. McQueen

Title: EVP, General Counsel & Corporate Secretary

**FORM OF WELLTOWER OP LLC
PROFITS INTERESTS PLAN
OPTION UNIT AGREEMENT**

This OPTION UNIT AGREEMENT (the "Award Agreement") is made as of the Grant Date set forth below hereto between Welltower Inc., a Delaware corporation (the "Parent Member"), its subsidiary Welltower OP LLC, a Delaware limited liability company (the "Company"), and the individual identified below (the "Participant").

Name of Participant: #ParticipantName#, (the "Participant")

No. of Option Units: #Quantity Granted# at target
Option Unit Participation Threshold: \$#GrantCustom1#

Vesting Period: Option Units shall vest subject to the Participant’s continued employment with the Employer, in accordance with the following schedule: one-fourth of the Option Units will become fully vested on January 15, 2025, one-fourth of the Option Units will become fully vested on January 15, 2026, one-fourth of the Option Units will become fully vested on January 15, 2027, and one-fourth of the Option Units will become fully vested on January 15, 2028 (each such date, a "Vesting Date").

Grant Date: #GrantDate#

RECITALS

A. The Participant is an employee of the Employer and provides services to the Company (and/or its subsidiaries), through which the Parent Member conducts substantially all of its operations.

B. In accordance with the Welltower OP LLC Profits Interests Plan, as it may be amended from time to time (the "Plan"), the Company desires to provide the Participant with an opportunity to acquire Option Units having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein, in the Plan and in the LLC Agreement, and thereby provide additional incentive for the Participant to promote the progress and success of the business of the Parent Member, the Company and its subsidiaries. On the Grant Date pursuant to this Option Unit Agreement (this "Agreement"), the Participant shall receive the number of Option Units set forth above in this Agreement (the "Award"), subject to the restrictions and conditions set forth herein, in the Plan and in the LLC Agreement.

NOW, THEREFORE, the Parent Member, the Company and the Participant agree as follows:

AGREEMENT

1. Grant of Option Units; Effectiveness of Award. On the terms and conditions set forth below, as well as the terms and conditions of the Plan, the Company hereby grants to the Participant the Number of Option Units set forth above (the “Option Units”). To the extent the Option Units become vested in accordance with Section 3, each Option Unit is intended to provide the Participant with the opportunity to share in the appreciation of the value of a Share in excess of the Option Unit Participation Threshold set forth above based on the terms set forth in the LLC Agreement. The Option Units will accumulate and/or participate in allocations and distributions as set forth in the LLC Agreement, in accordance with Exhibit G to the LLC Agreement. Capitalized terms used herein and not otherwise defined have the meanings provided in the Plan, the Equity Plan and/or the LLC Agreement. The Participant shall be admitted as a Member of the Company with beneficial ownership of the Option Units as of the Grant Date by (i) signing and delivering to the Company a copy of this Award Agreement and (ii) signing, as an Option Unitholder, and delivering to the Company a counterpart signature page to the LLC Agreement (attached hereto as Exhibit A). Upon execution of this Award Agreement and the counterpart signature page to the LLC Agreement by the Participant, the Parent Member and the Company, the books and records of the Company shall reflect the issuance to the Participant of the Option Units. Thereupon, the Participant shall have all the rights of a Option Unitholder of the Company with respect to a number of Option Units equal to the Option Units, as set forth in the LLC Agreement, subject, however, to the restrictions and conditions specified in Section 3 below.

2. Conversion and Term. Subject to earlier forfeiture, termination, acceleration or cancellation of the Option Units as provided in the LLC Agreement, Plan or this Award Agreement, until the Expiration Date, Vested Option Units shall be convertible at the Participant’s election into a number of LTIP Units, as determined in accordance with the LLC Agreement, which in turn are convertible into Class A Common Units and Shares as provided in the LLC Agreement. For purposes of this Award Agreement, “Expiration Date” means the earlier of (a) the date of the Participant’s termination of employment by the Employer for Cause, and (b) the tenth (10th) anniversary of the Grant Date. Upon the Expiration Date, any Option Units which have not been converted into Vested LTIP Units shall terminate, be cancelled for no consideration and be without further force or effect.

3. Vesting Period. The vesting period of the Option Units (the “Vesting Period”) shall begin on the Grant Date and continue until such Vesting Dates, and subject to such vesting conditions, as set forth above. On the first Vesting Date following the date of this Award Agreement and each Vesting Date thereafter, the applicable number of Option Units specified above shall become vested, subject to earlier forfeiture as provided in this Award Agreement. Except as permitted under Section 19, the Option Units for which the applicable Vesting Period has not expired may not be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding). The Participant shall have the right to vote the Option Units if and when voting is allowed under the LLC Agreement, regardless of whether the applicable Vesting Period has expired.

4. Termination of Participant’s Employment; Continued Convertibility of Vested Option Units.

(a) If the Participant’s employment with the Employer terminates, the provisions of this Section 4 shall govern the treatment of the Option Units exclusively, regardless of the provisions of any employment, change in control or other agreement or arrangement to which the Participant is a party, or any termination or severance policies of the Parent Member then in effect, which shall be superseded by the Plan and this Award Agreement.

(b) In the event of termination of the Participant’s employment by reason of a Qualified Termination, then the Participant shall retain the portions of the Option Units that are Vested Option Units. The portion of the Option Units that are Unvested Option Units shall, without payment of any consideration by the Parent Member or the Company, automatically and without notice terminate, be forfeited and be and become null and void and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Unvested Option Units. The portion of the Option Units that are Vested Option Units that have not been converted into Vested LTIP Units shall remain convertible as set forth in this Award Agreement and the LLC Agreement.

(c) As a condition of receiving any payments or benefits under the Plan and this Award Agreement on account of the Participant's Qualified Termination, the Company may, in its sole discretion, require the Participant to deliver an irrevocable, effective release of claims in the form determined by the Company and/or an affirmation of continued compliance with the non-competition, non-solicitation, non-disparagement and non-disclosure covenants in favor of the Company and related persons as set forth in Section 4 of the Plan.

(d) In the event of a termination of a Participant's employment for any reason other than a Qualified Termination, except as otherwise determined by the Company, then (i) the Unvested Option Units shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in the Unvested Option Units and (ii) the Participant shall retain the Vested Option Units that have not been converted into Vested LTIP Units and such Vested Option Units shall remain convertible as set forth in this Award Agreement and the LLC Agreement. In the event such a termination is for Cause, all of the Option Units shall, without payment of any consideration by the Company, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in the Option Units.

5. Change in Control. In the event that a Change in Corporate Control occurs prior to January 15, 2028, then the Vesting Period applicable to the Option Units shall lapse in its entirety and such Option Units shall become Vested Option Units if either (i) the successor company (or a subsidiary thereof) does not assume, convert, continue or otherwise replace such Option Units on proportionate and equitable terms or (ii) the Participant is terminated without Cause upon or within twelve (12) months following the Change in Corporate Control.

6. Certain Adjustments. The Option Units shall be subject to adjustment as provided in the LLC Agreement, and except as otherwise provided therein, if (i) the Parent Member shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Parent Member, spin-off of a Subsidiary of the Parent Member, business unit or other transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of stock, or other similar change in the capital structure of the Parent Member, or any extraordinary dividend or other distribution to holders of the Shares or Class A Common Units other than regular dividends shall occur, or (iii) any other event shall occur that in each case in the good faith judgment of the Company necessitates action by way of appropriate equitable adjustment in the terms of this Award Agreement, the Plan or the Option Units, then the Company shall take such action as it deems necessary to maintain the Participant's rights hereunder so that they are substantially proportionate to the rights existing under this Award Agreement and the terms of the Option Units prior to such event, including, without limitation: (A) adjustments in the Option Units; and (B) substitution of other awards under the Plan or otherwise. In the event of any change in the outstanding Shares (or corresponding change in the Conversion Factor applicable to the Class A Common Units) by reason of any share dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change, or any distribution to common shareholders of the Company other than regular dividends, any LTIP Units, Class A Common Units, shares or other securities received by the Participant with respect to the applicable Option Units for which the Vesting Period shall not have expired will be subject to the same restrictions as the Option Units with respect to an equivalent number of shares or securities and shall be deposited with the Company.

7. Incorporation of Plan; Interpretation by Administrator. This Agreement is subject to the terms, conditions, limitations and definitions contained in the Plan. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control. The Administrator may make such rules and regulations and establish such procedures for the administration of this Agreement, which are consistent with the terms of this Agreement, as it deems appropriate.

8. Certificates; Legends. Each certificate, if any, issued in respect of the Option Units awarded under this Award Agreement shall be registered in the Participant's name and held by the Company until the expiration of the applicable Vesting Period. If certificates representing the Option Units are issued by the Company, at the expiration of each Vesting Period, the Company shall deliver to the Participant (or, if applicable, to

the Participant's legal representatives, beneficiaries or heirs) certificates representing the number of Option Units that vested upon the expiration of such Vesting Period. The records of the Company and any other documentation evidencing the Option Units shall bear an appropriate legend, as determined by the Company in its sole discretion, to the effect that such Option Units are subject to restrictions as set forth herein, in the Plan and in the LLC Agreement.

9. Tax Withholding. The Parent Member or its applicable affiliate has the right, to the extent applicable, to withhold from cash compensation payable to the Participant all applicable income and employment taxes due and owing at the time the applicable portion of the Option Units becomes includible in the Participant's income (the "Withholding Amount"), and/or to delay delivery of Option Units until appropriate arrangements have been made for payment of such withholding. In the alternative, the Parent Member has the right to retain and cancel, or sell or otherwise dispose of, such number of Option Units as have a market value (determined as of the date the applicable Option Units vest) approximately equal to the Withholding Amount, with any excess proceeds being paid to Participant.

10. Amendment; Modification. This Award Agreement may only be modified or amended in a writing signed by the parties hereto, provided that the Participant acknowledges that the Plan may be amended or discontinued in accordance with the provisions thereof and that this Agreement may be amended or canceled by the Administrator, on behalf of the Parent Member and the Company, in each case for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall adversely affect the Participant's rights under this Agreement in any material respect without the Participant's consent. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. The failure of the Participant or the Parent Member or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Participant or the Parent Member or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

11. Complete Agreement. Other than as specifically stated herein or as otherwise set forth in any employment, change in control or other agreement or arrangement to which the Participant is a party which specifically refers to the Option Units or to the treatment of compensatory equity held by the Participant generally, this Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein, including but not limited to the Plan and the LLC Agreement) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

12. Investment Representation; Registration. The Participant agrees that any resale of either (1) the Option Units received upon the expiration of the applicable Vesting Period or (2) the LTIP Units, Class A Common Units or Shares received, directly or indirectly, upon redemption of or in exchange for Option Units, other units of the Company or Class A Common Units into which Option Units may have been converted shall not occur during the "blackout periods" forbidding sales of Parent Member securities, as set forth in the then-applicable Parent Member employee manual or insider trading policy. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule). The Participant hereby makes the covenants, representations and warranties set forth on Exhibit B attached hereto as of the Grant Date. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Participant. The Participant shall promptly notify the Company upon discovering that any of the representations or warranties set forth on Exhibit B was false when made or have, as a result of changes in circumstances, become false. The Company will have no obligation to register under the Securities Act any of the Option Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of the Option Units into other interests of the Company.

13. Status of Option Units under the Plan. The Option Units are both issued as equity securities of the Company and granted as awards under the Plan. The Parent Member will have the right at its option, as set forth in the LLC Agreement, to issue Shares in exchange for units of the Company into which Option Units may have been converted pursuant to the LLC Agreement, subject to certain limitations set forth in the LLC

Agreement, and such Shares, if issued, will be issued under the Plan. The Participant must be eligible to receive the Option Units in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit B). The Participant acknowledges that the Participant will have no right to approve or disapprove such determination by the Parent Member.

14. Severability. If, for any reason, any provision of this Award Agreement is held invalid, such invalidity shall not affect any other provision of this Award Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Award Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Award Agreement, shall to the full extent consistent with law continue in full force and effect.

15. Governing Law. This Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without references to principles of conflict of laws.

16. Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Award Agreement.

17. Counterparts. This Award Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

18. Successors and Assigns. This Award Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Parent Member and any successors to the Participant by will or the laws of descent and distribution, but this Award Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Participant.

19. Transfer; Redemption. None of the Option Units shall be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action, a "Transfer"), or redeemed in accordance with the LLC Agreement (a) prior to vesting and (b) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act), and such Transfer is in accordance with the applicable terms and conditions of the LLC Agreement. Any attempted Transfer of Option Units not in accordance with the terms and conditions of this Section 19 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Option Units as a result of any such Transfer, and shall otherwise refuse to recognize any such Transfer.

20. Data Privacy Consent. In order to administer the Plan and this Award Agreement and to implement or structure future equity grants, the Parent Member and its agents may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Award Agreement (the "Relevant Information"). By entering into this Award Agreement, the Participant (i) authorizes the Parent Member to collect, process, register and transfer to its agents all Relevant Information; and (ii) authorizes the Parent Member and its agents to store and transmit such information in electronic form. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law and to the extent necessary to administer the Plan and this Award Agreement, and the Parent Member and its agents will keep the Relevant Information confidential except as specifically authorized under this paragraph.

21. Electronic Delivery of Documents. By accepting this Award Agreement, the Participant (i) consents to the electronic delivery of this Award Agreement, all information with respect to the Plan and any reports of the Parent Member provided generally to the Parent Member's stockholders; (ii) acknowledges that he or she may receive from the Parent Member a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Parent Member by telephone or in writing; (iii) further acknowledges that he or she may revoke his or her consent to electronic delivery of documents at any time by notifying the Parent Member of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledges that he or she is not required to consent to electronic delivery of documents.

22. Section 83(b) Election. In connection with this Award Agreement, the Participant hereby agrees to make an election to include in gross income in the year of transfer the fair market value of the applicable Option Units over the amount paid for them pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, substantially in the form attached hereto as Exhibit C and to supply the necessary information in accordance with the regulations promulgated thereunder.

23. Acknowledgement. The Participant hereby acknowledges and agrees that this Award Agreement and the Option Units issued hereunder shall constitute satisfaction in full of all obligations of the Parent Member and the Company, if any, to grant to the Participant Option Units pursuant to the terms of any written employment agreement or letter or other written offer or description of employment with the Parent Member and/or the Company executed prior to or coincident with the date hereof.

[signature page follows]

IN WITNESS WHEREOF, this Award Agreement has been executed by the parties hereto as of the date and year first above written.

WELLTOWER INC.

By: /s/Matthew G. McQueen
Name: Matthew G. McQueen
Title: Executive Vice President – General Counsel & Corporate Secretary

WELLTOWER OP LLC

By: /s/Matthew G. McQueen
Name: Matthew G. McQueen
Title: Director

PARTICIPANT

Name: #Signature#
#ParticipantName#

EXHIBIT A

FORM OF MEMBER SIGNATURE PAGE

The Participant, desiring to become one of the Members of Welltower OP LLC, hereby accepts all of the terms and conditions of (including, without limitation, the provisions related to powers of attorney), and becomes a party to, the Limited Liability Company Agreement, dated May 24, 2022, as it may be amended from time to time, of Welltower OP LLC (the "LLC Agreement"). The Participant agrees that this signature page may be attached to any counterpart of the LLC Agreement and further agrees as follows (where the term "Member" refers to the Participant). Capitalized terms used but not defined herein have the meaning ascribed thereto in the LLC Agreement.

1. The Member hereby confirms that it has reviewed the terms of the LLC Agreement and affirms and agrees that it is bound by each of the terms and conditions of the LLC Agreement, including, without limitation, the provisions thereof relating to limitations and restrictions on the transfer of Units.

2. The Member hereby confirms that it is acquiring the Units for its own account as principal, for investment and not with a view to resale or distribution, and that the Units may not be transferred or otherwise disposed of by the Member otherwise than in a transaction pursuant to a registration statement filed by the Company (which it has no obligation to file) or that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state and foreign securities laws, and the Company may refuse to transfer any Units as to which evidence of such registration or exemption from registration satisfactory to the Company is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration. If the Parent Member delivers to the Member common Shares of beneficial interest of the Parent Member ("Common Shares") upon redemption of any Units, the Common Shares will be acquired for the Member's own account as principal, for investment and not with a view to resale or distribution, and the Common Shares may not be transferred or otherwise disposed of by the Member otherwise than in a transaction pursuant to a registration statement filed by the Parent Member with respect to such Common Shares (which it has no obligation under the LLC Agreement to file) or that is exempt from the registration requirements of the Securities Act and all applicable state and foreign securities laws, and the Parent Member may refuse to transfer any Common Shares as to which evidence of such registration or exemption from such registration satisfactory to the Parent Member is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration.

3. The Member hereby appoints the Parent Member, any Liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, in accordance with Section 15.11 of the LLC Agreement, which section is hereby incorporated by reference. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Member and shall extend to the Member's heirs, executors, administrators, legal representatives, successors and assigns.

4. The Member hereby confirms that, notwithstanding any provisions of the LLC Agreement to the contrary, the Option Units shall not be redeemable by the Member pursuant to Section 8.6 of the LLC Agreement.

5. The Member hereby irrevocably consents in advance to any amendment to the LLC Agreement intended to avoid the Company being treated as a publicly-traded partnership within the meaning of Section 7704 of the Internal Revenue Code, including, without limitation, (x) any amendment to the provisions of Section 8.6 of the LLC Agreement intended to increase the waiting period between the delivery of a Notice of Redemption and the Specified Redemption Date and/or the Valuation Date to up to sixty (60) days or (y) any other amendment to the LLC Agreement intended to make the redemption and transfer provisions, with respect to certain redemptions and transfers, more similar to the provisions described in Treasury Regulations Section 1.7704-1(f).

6. The Member hereby appoints the Parent Member, any Liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to execute and deliver any amendment referred to in the foregoing paragraph 5(a) on the Member's behalf. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be

affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Member and shall extend to the Member's heirs, executors, administrators, legal representatives, successors and assigns.

7. The Member agrees that it will not transfer any interest in the Units either (x) through (i) a national, non-U.S., regional, local or other securities exchange, (ii) PORTAL or (iii) an over-the-counter market (including an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers by electronic means or otherwise) or (y) to or through any of (A) a person, such as a broker or dealer, that makes a market in, or regularly quotes prices for, interests in the Company, (B) a person that regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to any interests in the Company and stands ready to effect transactions at the quoted prices for itself or on behalf of others or (C) another readily available, regular and ongoing opportunity to sell or exchange the interest through a public means of obtaining or providing information of offers to buy, sell or exchange the interest.

8. The Member acknowledges that the Parent Member shall be a third-party beneficiary of the representations, covenants and agreements set forth herein. The Member agrees that it will transfer, whether by assignment or otherwise, Units only to the Parent Member or to transferees that provide the Company and the Parent Member with the representations and covenants set forth herein.

9. This acceptance shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

Name: #Signature#

Date: #AcceptanceDate#

EXHIBIT B

PARTICIPANT'S COVENANTS, REPRESENTATIONS AND WARRANTIES

The Participant hereby represents, warrants and covenants as follows:

- (a) The Participant has received and had an opportunity to review the following documents (the "Background Documents"):
- (i) The Parent Member's latest Annual Report to Shareholders;
 - (ii) The Parent Member's Proxy Statement for its most recent Annual Meeting of Shareholders;
 - (iii) The Parent Member's Report on Form 10-K for the fiscal year most recently ended;
 - (iv) The Parent Member's Form 10-Q for the most recently ended quarter if one has been filed by the Parent Member with the Securities and Exchange Commission since the filing of the Form 10-K described in clause (iii) above;
 - (v) Each of the Parent Member's Current Report(s) on Form 8-K, if any, filed since the later of the Form 10-K described in clause (iii) above and the Form 10-Q described in clause (iv) above;
 - (vi) The LLC Agreement;
 - (vii) The Plan; and
 - (viii) The communications materials prepared by the Company or the Parent Member providing information regarding the terms of the Option Units.

The Participant also acknowledges that any delivery of the Background Documents and other information relating to the Parent Member and the Company prior to the determination by the Company of the suitability of the Participant as a holder of Option Units shall not constitute an offer of Option Units until such determination of suitability shall be made.

- (b) The Participant hereby represents and warrants that:

(i) The Participant is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act"). Furthermore, the Participant, by reason of the business and financial experience of the Participant, together with the business and financial experience of those persons, if any, retained by the Participant to represent or advise him with respect to the grant to him of Option Units, the potential conversion of Option Units into LTIP Units and/or Class A Common Units of the Company ("Common Units") and the potential redemption of such Common Units for the Parent Member's Shares ("Parent Member Shares"), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that the Participant (I) is capable of evaluating the merits and risks of an investment in the Company and potential investment in the Parent Member and of making an informed investment decision, (II) is capable of protecting his own interest or has engaged representatives or advisors to assist him in protecting his interests, and (III) is capable of bearing the economic risk of such investment.

(ii) The Participant understands that (A) the Participant is responsible for consulting his own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Participant is or by reason of the award of Option Units may become subject, to his particular situation; (B) the Participant has not received or relied upon business or tax advice from the Parent Member, the Company or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Participant provides services to the Company on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Company, as the Participant believes to be necessary and appropriate to make an informed decision to accept this award of Option Units; and (D) an investment in the Company and/or the Parent Member involves substantial risks. The Participant has been given the opportunity to make a thorough investigation of matters relevant to the Option Units and has been furnished with, and has reviewed and

understands, materials relating to the Company and the Parent Member and their respective activities (including, but not limited to, the Background Documents). The Participant has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Participant to verify the accuracy of information conveyed to the Participant. The Participant confirms that all documents, records, and books pertaining to his receipt of Option Units which were requested by the Participant have been made available or delivered to the Participant. The Participant has had an opportunity to ask questions of and receive answers from the Company and the Parent Member, or from a person or persons acting on their behalf, concerning the terms and conditions of the Option Units. **The Participant has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Participant by the Company or the Parent Member.**

(iii) The Option Units to be issued, the LTIP Units and/or Common Units issuable upon conversion of the Option Units and any Parent Member Shares issued in connection with the redemption of any such Common Units will be acquired for the account of the Participant for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Participant's right (subject to the terms of the Option Units, the Plan and this Award Agreement) at all times to sell or otherwise dispose of all or any part of his Option Units, LTIP Units, Common Units or Parent Member Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his assets being at all times within his control.

(iv) The Participant acknowledges that none of (A) the Option Units to be issued, (B) the LTIP Units issuable upon conversion of the Option Units, or (C) the Common Units issuable upon conversion of the LTIP Units have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such Option Units, LTIP Units or Common Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Company and the Parent Member on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Participant contained herein, (C) such Option Units, LTIP Units or Common Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such Option Units, LTIP Units and Common Units and (E) neither the Company nor the Parent Member has any obligation or intention to register such Option Units, LTIP Units or the Common Units issuable upon conversion of the Option Units under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except that, upon the redemption of the Common Units for Parent Member Shares, the Parent Member may issue such Parent Member Shares under the Welltower Inc. 2022 Long-Term Incentive Plan, as amended from time to time (the "Equity Plan") and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Participant is eligible to receive such Parent Member Shares under the Equity Plan at the time of such issuance, (II) the Parent Member has filed a Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such Shares and (III) such Form S-8 is effective at the time of the issuance of such Parent Member Shares. The Participant hereby acknowledges that because of the restrictions on transfer or assignment of such Option Units acquired hereby and the LTIP Units and Common Units issuable upon conversion of the Option Units which are set forth in the LLC Agreement or this Award Agreement, the Participant may have to bear the economic risk of his ownership of the Option Units acquired hereby and the LTIP Units and Common Units issuable upon conversion of the Option Units for an indefinite period of time.

(v) The Participant has determined that the Option Units are a suitable investment for the Participant.

(vi) No representations or warranties have been made to the Participant by the Company or the Parent Member, or any officer, director, shareholder, agent or affiliate of any of them, and the Participant has received no information relating to an investment in the Company or the Option Units except the information specified in paragraph (a) above.

(c) So long as the Participant holds any Option Units, the Participant shall disclose to the Company in writing such information as may be reasonably requested with respect to ownership of Option Units as the Company may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code applicable to the Company or to comply with requirements of any other appropriate taxing authority.

(d) The Participant hereby agrees to make an election under Section 83(b) of the Code with respect to the Option Units awarded hereunder, and has delivered with this Award Agreement a completed, executed copy of the election form attached hereto as Exhibit C. The Participant agrees to file the election (or to permit the Company to file such election on the Participant's behalf) within thirty (30) days after the award of the Option Units hereunder with the IRS Service Center at which such Participant files his personal income tax returns.

(e) The address set forth on the signature page of this Award Agreement is the address of the Participant's principal residence, and the Participant has no present intention of becoming a resident of any country, state or jurisdiction other than the country and state in which such residence is sited.

EXHIBIT C

**ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF TRANSFER OF PROPERTY PURSUANT TO SECTION 83(b) OF THE
INTERNAL REVENUE CODE**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the undersigned are:

Name: #ParticipantName# (the "Taxpayer")

Social Security No./Taxpayer Identification No.: #GrantCustom5#

2. Description of property with respect to which the election is being made:

The election is being made with respect to Option Units in Welltower OP LLC (the "Company").

3. The date on which the #QuantityGranted# Option Units were transferred is #GrantDate#. The taxable year to which this election relates is calendar year 2024.

4. Nature of restrictions to which the Option Units are subject:

The Option Units are subject to time-based vesting over a period commencing on the day after the Grant Date and ending on January 15, 2028, provided that the Taxpayer remains an employee of Welltower Inc. or its affiliates through the vesting period, subject to acceleration in the event of certain extraordinary transactions or termination of the Taxpayer's service relationship with Welltower Inc. (or its affiliate) under specified circumstances. Unvested Option Units are subject to forfeiture in the event of failure to vest based on the passage of time and continued employment.

(a) With limited exceptions, until the Option Units vest, the Taxpayer may not transfer in any manner any portion of the Option Units without the consent of the Company.

(b) The Taxpayer's Option Units vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested Option Units are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the Option Units with respect to which this election is being made was \$0 per Option Unit.

6. The amount paid by the Taxpayer for the Option Units was \$0 per Option Unit.

7. A copy of this statement has been furnished to the Company and Welltower Inc.

Dated: #AcceptanceDate#

#Signature#

Name: #ParticipantName#

WELLTOWER INC. 2022 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT GRANT AGREEMENT
FOR NON-EMPLOYEE DIRECTOR

THIS RESTRICTED STOCK UNIT GRANT AGREEMENT (the "Agreement"),

made as of #GrantDate# (the "Grant Date"), between Welltower Inc., a Delaware corporation (the "Corporation"), and #ParticipantName# (the "Director").

RECITALS:

A. The Director serves as a member of the Board of Directors of the Corporation.

B. The Corporation maintains the 2022 Long-Term Incentive Plan (the "Plan") in order to promote the growth and profitability of the Corporation by providing officers, key employees and non-employee directors with incentives to achieve long-term corporate objectives, to assist the Corporation in attracting and retaining officers, key employees and nonemployee directors of outstanding competence, and to provide such individuals with an opportunity to acquire an equity interest in the Corporation. Capitalized terms used without definitions in these Terms and Conditions or in the Grant Notice shall have the meaning given to those terms in the Plan.

C. The Plan authorizes awards under the Plan to be made to non-employee directors with the approval of the Compensation Committee of the Board of Directors (the "Committee").

D. The Committee has determined that each non-employee director of the Corporation shall be granted Restricted Stock Units with respect to shares of the Corporation's common stock on the terms and conditions set forth below.

E. The grant of Restricted Stock Units has been made by the Corporation in consideration of the past and future services the Director has provided to the Corporation as a member of the Board, and the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows.

1. **Grant of Restricted Stock Units.**

The Corporation hereby grants Restricted Stock Units to the Director with respect to a total of #GrantCustom2# shares of common stock, \$1.00 par value per share, of the Corporation (the "Common Stock" or "Share"), subject to satisfaction of the vesting conditions and other terms set forth in this Agreement. The Director shall not be required to make any payment to the Corporation (other than his or her services as a director) in exchange for such Restricted Stock Units or in exchange for the issuance of shares of Common Stock upon vesting of Restricted Stock Units.

2. **Restricted Delivery of Shares.**

(a) The Director shall not be entitled to the issuance of shares of Common Stock until such Restricted Stock Units have become vested. Further, the Director shall not have any of the rights and privileges of a stockholder of the Corporation (including voting rights and the right to receive dividends) until the shares of Common Stock are issued to the Director. The Corporation shall pay in cash to the Director an amount equal to the dividends and other distributions paid on a Share (multiplied by the number of Restricted Stock Units then outstanding under this Agreement) for which the record date occurred on or after the date that such Restricted Stock Units were granted and prior to the date on which shares of Common Stock are issued to the Director (excluding dividends and distributions paid in the form of additional Shares).

(b) The Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Director, and the shares of Common Stock potentially issuable to the Director pursuant to these Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered by the Director until such shares are so issued. Any attempt to dispose of the Restricted Stock Units in a manner contrary to the restrictions set forth in this Agreement shall be ineffective, null and void.

3. **Vesting; When Restricted Stock Units Vest.**

Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest on #GrantCustom3#, subject to the Director's continued service as a member of the Board of Directors through such date, or at such earlier time as the Restricted Stock Units may vest pursuant to Sections 8 or 9 of this Agreement.

4. **Issuance of Shares.**

Except as provided in Section 5 below, whenever the Restricted Stock Units granted to the Director under this Agreement become vested pursuant to Section 3 or Sections 8 or 9 below, the Corporation shall cause a number of shares of Common Stock equal to the number of Restricted Stock Units to be issued to the Director in book entry form and registered in the name of the Director. Evidence of ownership of such shares of Common Stock shall be delivered to the Director (or to his or her designated nominee) within 74 days following the vesting date or such later date provided by the Committee. Once shares of Common Stock have been issued as a result of the vesting of Restricted Stock Units, the corresponding vested Restricted Stock Unit shall be considered cancelled and shall be of no further force or effect.

5. **Election to Defer Settlement.**

The Director may elect to defer the settlement of the Restricted Stock Units for a period not to exceed the later of (1) eleven (11) years following the vesting date or (2) until the Director's termination of employment or service. Such date shall be referred to as the "Restricted Settlement Date". If the Director makes such an election, it will become irrevocable on the date of such election. If the Director makes such an election, any Dividend Equivalent Rights awarded with respect to such Restricted Stock Units shall also be deferred under the same terms, unless the Director otherwise elects. If the Director makes such an election, but a Change in Corporate Control occurs that subjects the Director's Restricted Stock Units to Section 9 of this Agreement prior to the Restricted Settlement Date, the Director's deferral election will terminate and the Director's Restricted Stock Units and Dividend Equivalent Rights will be settled in accordance with Section 9 of this Agreement. The Company may terminate any deferral hereunder if a change in law requires such termination.

6. **No Tax Withholding.**

The Corporation shall issue to the Internal Revenue Service and to the Director a Form 1099 and any other reporting form that may be required to report the amount of tax which the Director has incurred under applicable federal, state and local tax laws. The Corporation will not withhold such taxes, and the Director acknowledges that the Director may need to adjust his or her estimated tax payments to take the additional taxable income into account.

7. **Termination of Service on the Board.**

(a) Except as provided in Sections 7(b), 8 or 9 below, if the Director resigns from service as a member of the Board of Directors, decides not to stand for reelection at the expiration of the Director's term of office, is not nominated by the Board to stand for election at the Annual Stockholders' Meeting at which the Director's term of office expires, or, if nominated, is not reelected, then any Restricted Stock Units held by the Director which have not yet vested shall not be forfeited, but shall remain unvested until such time as such Restricted Stock Units would otherwise have become vested as provided in Section 3 (disregarding, for purposes of this Section 7(a), the requirement of continued service on the Board of Directors as specified in Section 3) and shall be issued pursuant to Section 4.

(b) Notwithstanding the foregoing, if the Director is removed from the Board by the stockholders of the Corporation for cause, or the Director resigns or decides not to stand for reelection following delivery of notice to the stockholders of a proposal to remove the Director for cause (for these purposes, cause shall include, but not be limited to, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform the Director's duties and responsibilities for any reason other than illness or incapacity), then all Restricted Stock Units which have not previously become vested shall immediately be forfeited.

8. **Effect of Death or Disability.**

(a) If the Director ceases to serve as a member of the Board as a result of the Director's death before the Restricted Stock Units granted under this Agreement have become vested, vesting of the Restricted Stock Units granted to the Director under this Agreement shall be accelerated, and the Corporation shall cause a number of shares of Common Stock equal to the number of Restricted Stock Units to be issued in book entry form. Evidence of ownership of such shares of Common Stock shall be delivered to the Director's executor, administrator, or any

person to whom the Director's rights with respect to the Restricted Stock Units may be transferred by the Director's will or by the laws of descent and distribution. Any deferral election made by the Director under Section 5 will be respected in determining the form and time of settlement of Restricted Stock Units and Dividend Equivalent Right.

(b) If the Director ceases to serve as a member of the Board as a result of the Director's total disability before the Restricted Stock Units granted under this Agreement have become vested, vesting of the Restricted Stock Units granted to the Director under this Agreement shall be accelerated, and the Corporation shall cause a number of shares of Common Stock equal to the number of Restricted Stock Units to be issued in book entry form to the Director pursuant to Section 4, free of any restrictions. A Director shall have total disability only if he or she is "disabled" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). Any deferral election made by the Director under Section 5 will be respected in determining the form and time of settlement of Restricted Stock Units and Dividend Equivalent Rights.

(c) Evidence of ownership of shares of Common Stock under Sections 8(a) or 8(b) shall be delivered within 74 days following the Director's death or total disability, as applicable, or within 74 days following the Restricted Settlement Date if the director has made a deferral election under Section 5.

9. **Effect of Change in Corporate Control.**

Notwithstanding the other terms of this Agreement, in the event of a Change in Corporate Control (as defined below), the vesting of the Restricted Stock Units granted under this Agreement shall be accelerated, and the Director shall become entitled immediately to receive a number of shares of Common Stock equal to the number of Restricted Stock Units, which shares shall be issued in book entry form prior to the occurrence of the Change in Corporate Control. This Section 9 shall take precedence over any deferral election that the Director has previously made under Section 5.

For purposes of this Section 8, a "Change in Corporate Control" shall mean a "change in ownership or effective control" in respect of the Corporation within the meaning of Section 409A of the Code.

10. **Dividend Equivalent Rights.**

During such time as the Restricted Stock Units remain outstanding and have not been deferred under Section 5, whenever the Corporation pays dividends on the Common Stock, the Director will have the right to receive, at the election of the Director, either a cash payment or additional shares of Common Stock from the Corporation with respect to each Restricted Stock Unit in an amount equal to any dividends paid on a share of Common Stock (in either case, a "Dividend Equivalent Right"). In either case, such Dividend Equivalent Right shall be paid within sixty (60) days following the applicable dividend record date. If the Director fails to make any election with respect to his or her Dividend Equivalent Rights, the Director will receive his or her Dividend Equivalent Rights in the form of a cash payment from the Corporation, which shall be paid within sixty (60) days following the applicable dividend record date.

If the Director has made a deferral election under Section 5, then any Dividend Equivalent Rights with respect to such Restricted Stock Units will be deferred into additional Shares and distributed under the same terms as the deferred Restricted Stock Units. Notwithstanding the foregoing, the Director may elect to receive a cash payment of such Dividend Equivalent Rights on a non-deferred basis, in which case payment shall be made in cash within sixty (60) days following the applicable dividend record date.

The Director will have a Dividend Equivalent Right with respect to each Restricted Stock Unit that is outstanding on the dividend record date. The Director will have no Dividend Equivalent Rights as of the dividend record date in respect of any Restricted Stock Units that have vested and been exchanged for Common Stock; provided that the Director is the record holder of such Common Stock on or before such dividend record date. No fractional shares of Common Stock will be issued in satisfaction of any Dividend Equivalent Rights and any amount that is less than the then current Fair Market Value of a share of Common Stock will be paid in cash.

11. **Securities Laws.**

The Corporation may from time to time impose such conditions on the vesting of the Restricted Stock Units, and/or the issuance of shares of Common Stock upon vesting of the Restricted Stock Units, as it deems reasonably necessary to ensure that any grant of the Restricted Stock Units and issuance of shares under this Agreement will satisfy the applicable requirements of federal and state securities laws. Such conditions may include, without limitation, the partial or complete suspension of the right to receive shares of Common Stock upon the vesting of the Restricted Stock Units until the Common Stock has been registered under the Securities Act of 1933, as amended. In all events, if the issuance of any shares of Common Stock is delayed by application of this Section 11, such issuance shall occur on the earliest date on which it would not violate applicable law.

12. **Grant Not to Affect Status as Director.**

Neither this Agreement nor the Restricted Stock Units granted hereunder shall confer upon the Director any right to continue the Director's service as a member of the Board of Directors of the Corporation.

13. **Adjustments to Restricted Stock Units.**

In the event of any change or changes in the outstanding Common Stock by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or any similar transaction, the number of Restricted Stock Units granted to the Director under this Agreement shall be adjusted by the Committee pursuant to Section 12 of the Plan in such manner as the Committee deems appropriate to prevent substantial dilution or enlargement of the rights granted to the Director.

14. **Miscellaneous.**

(a) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(b) The terms of this Agreement may be amended, modified or waived by the Corporation; provided, however, that the Director must consent to any amendment or modification (but not waiver) that adversely affects the Director's rights under this Agreement.

(c) The provisions of the Plan are hereby made a part of this Agreement. In the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of this Agreement shall control.

(d) The Restricted Stock Units granted under this Agreement, so long as they are not deferred under Section 5, are intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), under the exemption for "short-term deferrals" under Treasury Regulation Section 1.409A-1(b)(4), and shall be interpreted in a manner consistent with the requirements for such exemption. In the event that the Restricted Stock Units granted under this Agreement are deferred under Section 5, the terms of such deferral are intended to comply with Section 409A of the Code and shall be so interpreted and administered. To the extent that changes are necessary to ensure that the Restricted Stock Units and any related dividend equivalent rights comply with Section 409A of the Code, or with any additional requirements for any exemption for which such Restricted Stock Units may be eligible that may be imposed by future IRS guidance on the application of Section 409A of the Code, as the case may be, the Director and the Corporation agree to cooperate and work together in good faith to amend the Agreement so that the Restricted Stock Units and Dividend Equivalent Rights will not be treated as deferred compensation that fails to satisfy the requirements of Section 409A of the Code.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflicts of law; provided, however, that matters of corporate law, including the issuance of shares of Common Stock, shall be governed by the Delaware General Corporation Law.

(f) Notwithstanding anything herein to the contrary, payments and the issuance of shares of Common Stock hereunder will be delayed to the extent required to comply with Section 409A(a)(2)(B)(i) of the Code (dealing with "specified employees" as defined under Section 409A of the Code, if applicable).

IN WITNESS WHEREOF, the parties have executed this Restricted Stock Unit Grant Agreement on the date and year first above written.

WELLTOWER INC.

//Matthew G. McQueen

By: Matthew G. McQueen

Name: Matthew G. McQueen

Title: Executive Vice President – General Counsel & Corporate Secretary

DIRECTOR:

#Signature#

Name: #ParticipantName#

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **Shankh Mitra**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

/s/ SHANKH MITRA

Shankh Mitra,
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Timothy G. McHugh**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,
Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Shankh Mitra, the Chief Executive Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the quarterly report on Form 10-Q for the Company for the quarter ended March 31, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHANKH MITRA

Shankh Mitra,
Chief Executive Officer
Date: April 30, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Timothy G. McHugh, the Chief Financial Officer of Welltower Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the quarterly report on Form 10-Q for the Company for the quarter ended March 31, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,

Executive Vice President and Chief Financial Officer

Date: April 30, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT D
5-YEAR PROSPECTIVE FINANCIAL STATEMENTS

[ATTACHED]

630 Carolina Bay Opco LLC
Proforma Balance Sheet

	As of July 31, 2025	As of July 31, 2026	As of July 31, 2027	As of July 31, 2028	As of July 31, 2029
ASSETS:					
CURRENT ASSETS					
Cash and cash equivalents	\$ 551,000	\$ 601,000	\$ 682,000	\$ 840,000	\$ 978,000
Accounts receivable, net of allowance	193,000	202,000	209,000	217,000	223,000
Total current assets	<u>744,000</u>	<u>803,000</u>	<u>891,000</u>	<u>1,057,000</u>	<u>1,201,000</u>
REAL ESTATE INVESTMENTS					
Net real estate investments, net of accumulated depreciation	501,000	940,000	1,316,000	1,625,000	1,866,000
TOTAL ASSETS	\$ <u>1,245,000</u>	\$ <u>1,743,000</u>	\$ <u>2,207,000</u>	\$ <u>2,682,000</u>	\$ <u>3,067,000</u>
LIABILITIES AND EQUITY:					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 681,000	\$ 671,000	\$ 687,000	\$ 708,000	\$ 728,000
Total current liabilities	681,000	671,000	687,000	708,000	728,000
MEMBER'S EQUITY					
Retained earnings	-	564,000	1,072,000	1,520,000	1,974,000
Current year income	564,000	508,000	448,000	454,000	365,000
	<u>564,000</u>	<u>1,072,000</u>	<u>1,520,000</u>	<u>1,974,000</u>	<u>2,339,000</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>1,245,000</u>	\$ <u>1,743,000</u>	\$ <u>2,207,000</u>	\$ <u>2,682,000</u>	\$ <u>3,067,000</u>

630 Carolina Bay Opco LLC
Proforma Cash Flow Statement

	For the year ended July 31, 2025	For the year ended July 31, 2026	For the year ended July 31, 2027	For the year ended July 31, 2028	For the year ended July 31, 2029
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$ 564,000	\$ 508,000	\$ 448,000	\$ 454,000	\$ 365,000
Adjustments to reconcile net income to net cash used in operating activities:					
Depreciation	39,000	117,000	197,000	280,000	366,000
Decrease/(increase) in accounts receivable	(193,000)	(9,000)	(7,000)	(8,000)	(6,000)
Increase/(decrease) in accounts payable and other liabilities	681,000	(10,000)	16,000	21,000	20,000
Net cash provided from operating activities	1,091,000	606,000	654,000	747,000	745,000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Cash expenditures on real estate investments	(540,000)	(556,000)	(573,000)	(589,000)	(607,000)
Net cash used in investing activities	(540,000)	(556,000)	(573,000)	(589,000)	(607,000)
INCREASE IN CASH AND CASH EQUIVALENTS	551,000	50,000	81,000	158,000	138,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	551,000	601,000	682,000	840,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 551,000	\$ 601,000	\$ 682,000	\$ 840,000	\$ 978,000

EXHIBIT E

CONTRACT FOR INDEPENDENT LIVING CONTINUING CARE

[ATTACHED]



CAROLINA BAY

AT AUTUMN HALL

Residency and Care Agreement

**630 Carolina Bay Drive
Wilmington, North Carolina 28403
(910) 769-7500**

5/31/2020

**Term of Agreement Begins
("Occupancy Date"): _____**

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CAROLINA BAY AT AUTUMN HALL

RESIDENCY AND CARE AGREEMENT

This RESIDENCY AND CARE AGREEMENT (the “Agreement”) is made this ___ day of _____, _____, between 630 CAROLINA BAY OPCO LLC, a Delaware for-profit limited liability company registered to do business in North Carolina (the “Company” or “Community”) and _____ and _____ (herein individually or collectively called “Resident”). If two persons desire to share an Apartment enter into this Agreement, the term Resident shall apply to them jointly and severally and to the survivor of them.

WITNESSETH:

WHEREAS, the Company leases and operates the continuing care retirement community known as CAROLINA BAY AT AUTUMN HALL (the “CCRC”), located at 630 Carolina Bay Dr., Wilmington, North Carolina; and

WHEREAS, the Resident desires to use and occupy an apartment or garden flat unit (referred to collectively herein as an “Apartment”) located in the CCRC’s rental independent living buildings (the “Independent Living Buildings”); and

WHEREAS, and the Company desires to make the selected Apartment available to the Resident.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which the parties hereto acknowledge, and the full and faithful performance of all terms, covenants and conditions herein contained, the Resident and the Company hereby agree as follows:

1. Eligibility Requirements and Procedures.

The Resident will be qualified for admission as an occupant of the CCRC on the following terms and conditions:

- a. Age Criteria. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An underage second occupant may be approved for residency in the Apartment in the Company’s sole discretion but must, at a minimum, be at least fifty (50) years of age and meet the other requirements for residency in the CCRC. The Company reserves the right to limit the number of residents under the age of sixty-two (62) that will live in the CCRC.
- b. Preliminary Health Screen. The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the Company, which criteria may be amended from time to time in the Company’s sole discretion. The Resident shall provide to the Company an internal preliminary health screen (the “Preliminary Health Screen”), substantially in the form attached

to the Apartment Selection Agreement executed by the Resident and the Company dated as of the ___ day of _____, 20__ (the “Apartment Selection Agreement”), completed by the Resident’s primary physician and certifying that the Resident meets the independent living criteria within the period outlined in Section 1.e. of this Agreement.

- c. Apartment Selection Agreement. At the time of selecting an Apartment, the Resident completed an Apartment Selection Agreement and submitted it to the Company along with an Apartment Selection Fee and Community Fee, as defined in Sections 7.a. and 7.b., respectively, of this Agreement. In the event of any conflict between the provisions of the Apartment Selection Agreement and this Agreement, the provisions of this Agreement shall control.
- d. Disclosure Statement. Upon execution of this Agreement, the Company will provide the Resident a copy of the CCRC’s Disclosure Statement (the “Disclosure Statement”) which fully describes the organization, facilities, policies, services, fees, financial condition, projections, and the vital information related to the CCRC. Included in the Disclosure Statement is a copy of this Agreement.
- e. Application. Within thirty (30) days of execution of the Apartment Selection Agreement, the Resident will complete a Preliminary Health Screen and a confidential financial statement, all on the forms provided by the Company, and deliver the same (all such documents collectively referred to herein as, the “Application Forms”) to the Company.
- f. Interview. The Resident must have an interview with a representative from the Company prior to being approved for residency in the CCRC. This interview may include a non-medical assessment of the Resident(s) as an initial step in determining the whether the requirements for residency may be met.
- g. Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee (as defined in Section 7.d. of this Agreement), extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of this Agreement. Immediately prior to the Occupancy Date (as defined in Section 1.n. of this Agreement), the Resident will affirm to the Company that the Resident’s financial situation does not differ materially or adversely from the financial situation as presented in the Application Forms (substantially in the form attached to the Apartment Selection Agreement). If the Resident’s then personal financial situation differs materially and adversely from the Resident’s prior financial situation, the Company may terminate this Agreement. After the Occupancy Date, the Company may require updated financial information. In the case of two Residents occupying an Apartment, and in the event of the death of one of the occupants, the surviving Resident will be required to submit an update of the original Application Forms within thirty (30) days after the Company’s request for the same.

- h. Health Insurance. Prior to the Occupancy Date, the Resident shall provide evidence of health insurance coverage to the Company at a level reasonably satisfactory to the Company.
- i. Review of Application. The Company will review the completed Application Forms as a basis for initial approval for residency in the CCRC. The Company will accept or deny an application based on the criteria and policies it has established, as the same may be amended from time to time. The Company will notify the Resident in writing of its decision on the application.
- j. Physician's Report. Thirty (30) days prior to the Occupancy Date (as defined in Section 1.o. of this Agreement), the Resident is required to submit to the Company an updated Preliminary Health Screen. The Company will respect the privacy of the Resident's personal health information and is committed to maintaining the Resident's confidentiality.
- k. Representations and Warranties. The Resident affirms that the representations made in the Application Forms or other statements of financial capability are accurate and reflect the Resident's current status. The Resident acknowledges that such representations are the basis for which the Company agrees to enter into this Agreement.
- l. Authorization to Release Medical Information. As a part of the application process, the Resident agrees to execute any such authorization forms as required by the Company to obtain the information concerning the Resident's medical history and condition necessary to enable the Company to adequately evaluate whether the Resident is appropriate for residency in the CCRC.
- m. Will, Durable Power-of-Attorney and Healthcare Directives. Thirty (30) days prior to the Occupancy Date, the Resident shall have in place a valid and enforceable will, identifying an Executor of the Resident's estate, that provides for the distribution of his or her assets and personal effects. Such will or other document of instruction shall include adequate provisions regarding burial or cremation directions and other funeral arrangements. Furthermore, prior to the Occupancy Date, the Resident shall deliver, and during the term of this Agreement shall maintain, a valid and effective North Carolina Durable Power of Attorney (the "Power-of-Attorney") and a living will or health care Power-of-Attorney (the "Health Directive") enforceable in accordance with the laws of the State of North Carolina. The Power-of-Attorney shall designate as the Resident's attorney in-fact any responsible person, including but not limited to, a lawyer, banker, or relative, to act on behalf of the Resident in the managing of the Resident's affairs and filing of the Resident's insurance or other benefits as fully and completely as if the Resident were acting personally. The Power-of-Attorney shall be in such form that survives the Resident's incapacity or disability and otherwise be satisfactory to the Company. The Health Directive shall name a responsible person capable of making health care decisions in the case of incapacity or emergency.

- n. Notification of Availability. If the Resident is approved for residency in the CCRC, the Company will notify the Resident of the projected date of availability for occupancy (the “Notice of Availability Date”) and the Resident will have sixty (60) days from date of the Notice of Availability Date to occupy the Apartment (the date of occupancy hereinafter referred to as the “Occupancy Date”) and begin paying the Monthly Service Fee. If the Resident is not approved for residency in the CCRC, this Agreement shall be terminated and all payments made by the Resident before such termination, less those costs or other charges that are non-refundable pursuant to the terms of this Agreement, shall be refunded by the Company within thirty (30) days.

2. Basic Services and Programs.

Subject to the terms and conditions of this Agreement, the following basic services (collectively “Basic Services”) are included in the Monthly Service Fee (defined below):

- a. Description of Apartment. The Resident shall be entitled to the exclusive use of Apartment _____ located in the CCRC’s Independent Living Building.
- b. Appliances and Furnishings. The Apartment shall include the following appliances and furnishings:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Window coverings | <input checked="" type="checkbox"/> Standard flooring |
| <input checked="" type="checkbox"/> Electric range | <input checked="" type="checkbox"/> Self-cleaning oven |
| <input checked="" type="checkbox"/> Refrigerator/freezer with icemaker | <input checked="" type="checkbox"/> Garbage disposal |
| <input checked="" type="checkbox"/> Microwave | <input checked="" type="checkbox"/> Dishwasher |
| <input checked="" type="checkbox"/> Washer and dryer | <input checked="" type="checkbox"/> Smoke and fire detectors |
| <input checked="" type="checkbox"/> Climate control system | <input checked="" type="checkbox"/> Water heater |
| <input checked="" type="checkbox"/> 24-hour emergency call system | <input checked="" type="checkbox"/> Other permanent fixtures |

All other appliances and furnishings are to be provided by Resident.

- c. Utilities. The following utility fees are included in the Monthly Service Fee:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Heating | <input checked="" type="checkbox"/> Air conditioning |
| <input checked="" type="checkbox"/> Water | <input checked="" type="checkbox"/> Sewer |
| <input checked="" type="checkbox"/> Gas | <input checked="" type="checkbox"/> Electricity |
| <input checked="" type="checkbox"/> Basic cable television | <input checked="" type="checkbox"/> Pest control |
| <input checked="" type="checkbox"/> Trash removal | |

- d. Meals. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The Resident shall be entitled to dine in any of the CCRC’s dining options and charges for the food and beverages, except for alcoholic beverages, of the Resident and any guest of the Resident shall be deducted from such Declining Balance Meal Credit.

Upon termination of this Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credit, such additional charges shall be billed to the Resident on a monthly basis.

- e. Housekeeping Service. The Resident agrees to keep the Apartment in a clean and orderly condition. On a weekly basis, the Company will provide basic housekeeping services in the Apartment. Please refer to basic cleaning schedule provided to resident at time of move in.
- f. Maintenance Services. The Company will be responsible for normal wear and tear, maintenance and replacement of the property, furnishings and equipment owned by or leased by the Company for use in the CCRC. The Resident will be responsible for any damage to such property, furnishings and equipment, including the cost of repair or replacement or the diminution in value thereof, caused by the Resident, the Resident's guests or the Resident's pets. The Resident will be responsible for the maintenance and repair of the Resident's personal property.
- g. Changes to Apartment. Any structural or physical change or redecoration and remodeling of any kind within or outside the Apartment may only be made by the Resident only with the prior written consent of the Company, which shall be granted at the Company's sole discretion, and at the sole expense of the Resident. All such improvements or changes shall be the property of the Company. Upon vacating the Apartment, the Resident, or the Resident's estate, shall be responsible for the costs of returning the Apartment to the condition that existed prior to the Resident taking possession of the Apartment.
- h. Grounds Keeping. The Company will maintain and repair the CCRC's grounds, including lawns, trees and shrubbery. Personal plantings and customization of landscaped areas are subject to the Company's approval.
- i. Use of CCRC Common Areas. The Resident has the non-exclusive right, along with other residents, to use the CCRC's common areas, including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreational rooms and designated outdoor activity areas.
- j. Use of the Wellness Center. The Company will provide health and wellness programs and services at its on-site wellness center (the "Wellness Center"), including use of fitness equipment, exercise classes, use of an indoor heated pool and certain wellness education programs. The Resident will be advised of any required fee for a wellness program before enrolling in such program.
- k. Programs. Recreational, social, educational and cultural programs will be coordinated by the CCRC's staff. Some activities are subject to an additional charge.
- l. Parking. The Company will provide parking areas for one personal vehicle and limited parking for the Resident's guests.

- m. Transportation. The Company will provide scheduled transportation to locations routinely visited by residents of the CCRC such as shopping centers, medical offices and social events. Some transportation is subject to an additional charge.
- n. Emergency Response System. The Company will provide, on a twenty-four (24) hour basis, an emergency call system. Response to a call shall be limited to an evaluation of the Resident's needs. If other medical response is determined to be necessary, the Resident is responsible for any costs associated with such other medical response, including emergency medical transportation.
- o. Insurance. The Company will maintain general liability and hazard insurance on the property within the CCRC owned or leased by the Company, but will not be responsible for the Resident's personal property.

3. Optional Services.

A schedule of fees for services provided at extra cost including, but not limited to those optional services described below (collectively "Optional Services"), shall be established by the Company and shall be made available to the Resident. The Optional Services currently expected to be offered by the Company include the following:

- a. Transportation Services. If the Resident requests transportation in addition to that provided as a Basic Service, the Company may provide such transportation service provided that the Company has adequate transportation staff available at such date and time and to destinations that the Company identifies as being within the geographic area of transportation services.
- b. Food Services. If the Resident requests food services or catered services in addition to those provided as a Basic Service, the Company may provide such additional food services or catered services for an additional cost.
- c. Tray Service. The Resident may request that meals be delivered to the Apartment ("Tray Service") for a delivery charge; provided however, that Tray Service may not be requested for more than three (3) consecutive days except at a physician's or nurse's direction.
- d. Activities. Due to their special nature, a special fee may be required for some wellness and life enrichment programs.
- e. Additional Housekeeping Service. If the Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the Company may provide such services if staff is available to provide such services.
- f. Spa Services. Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.
- g. Upgraded Television Channels. Upgraded television channels will be available to the Resident in accordance with a published fee schedule.

- h. Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
- i. Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC Concierge Desk.

4. Terms of Residence.

- a. Term of Agreement. The initial term of this Agreement shall be for thirteen (13) months beginning on the Occupancy Date (the “Term”). After the initial Term, this Agreement will automatically renew for additional thirteen (13) month periods, unless terminated in accordance with Section 8 below. Prior to the expiration of the initial Term or any renewal Term, the Company reserves the right to present the Resident with a new version of the Company Residency and Care Agreement for signature by the Company and the Resident.
- b. Nature and Extent of Rights. The Resident’s right to occupy the Apartment shall exist and continue unless terminated as provided in this Agreement. Nothing contained herein shall be construed or is intended to require that the Company care for the Resident after expiration or termination of this Agreement.
- c. Terms of Occupancy. Signing of this Agreement does not deliver title to real or personal property, and this Agreement may not be assigned, transferred, inherited or devised. Any rights, privileges, benefits, or interests created by or under this Agreement shall be subordinated to any mortgage, deed of trust, or other security interest created on any of the premises or interests in the real estate comprising the CCRC and to all amendments, modifications, replacements or refunding thereof. The Resident agrees to execute and deliver any document required by the Company or by the holder of any mortgage, deed of trust or other interest to evidence or effect such subordination.
- d. Alteration or Modification. Notwithstanding any other provisions in this Agreement, the Company may alter or modify the Apartment to meet requirements of any statute, law or regulation of the federal, state or local Government. The Resident may not, without prior written consent of the Company, make any alterations or modifications to the Apartment.
- e. Use. The Apartment shall be used for residential purposes only and shall not be used for business or professional purposes, or in any manner in violation of any zoning or health ordinances.
- f. Permitted Occupants. The Resident(s) named herein and no other person shall reside in or occupy the Apartment during the term of this Agreement, except with the express prior written approval of the Company. If a second occupant who is not a party to this Agreement is accepted for residency in the CCRC after the date of this Agreement, such acceptance shall be subject to the approval of the Company and adherence to policies then governing all other admissions and such second

resident shall enter into a Residency and Care Agreement. If the second occupant does not meet the requirements for residency, or does not execute a Residency and Care Agreement, he or she shall not be permitted to occupy the Apartment.

- g. Transfers. Should the Resident desire to transfer to another Apartment, the Resident must notify the Company in writing. Following receipt of this request, and subject to availability, the Company may grant the Resident an option to move to the next available Apartment of the size requested. Upon transfer to a new residence, the Monthly Service Fee for the month in which the move takes place shall be prorated to reflect the percentage of the month that the Resident spends in each type of residence. With all transfers, there will be an up-fitting charge for the vacated residence based on the current rate established by the CCRC at the time of the transfer. The Resident will move all furnishings and belongings to the new residence within ten (10) days of the established occupancy date for the new residence. Any moving expense will be the responsibility of the Resident.
- h. Death or Transfer of One Resident. If one of the Residents named herein dies, moves out or is permanently transferred to the Healthcare Center or any other nursing center, the remaining Resident will continue to be bound by the terms of this Agreement except that the Monthly Service Fee will be reduced to the single occupancy rate then in effect.
- i. Rules and Regulations. The Resident and its guests and invitees shall comply in all respects with the CCRC's operating rules and regulations (the "Rules and Regulations") established by the Company from time to time. The Company may revise or amend such Rules and Regulations at any time in its sole discretion. A copy of the Rules and Regulations will be made available to the Resident.
- j. Pets. Subject to the prior written consent of the Company, which such consent shall be at the sole and absolute discretion of the Company, pets may be permitted in the Apartments. All pets must be on a leash at all times while not in a Resident's Apartment. Pets must be healthy, have current shots and rabies immunization, and be free of fleas and other parasites. The Resident must provide the Company with documentation that their pets have received all required shots and immunizations. The Resident is responsible for any costs expended by the Company for the failure of the Resident to adhere to the CCRC's pet policy, including, but not limited to, the cost of disinfection, cleaning and fumigation. Pets are prohibited in the dining spaces, the Wellness Center, the multipurpose room, the chapel, and the art space and activity rooms. The Resident understands and agrees that the pet must be removed from the Apartment, upon fourteen (14) days' prior written notice from the Company, if the pet becomes a nuisance to other residents of the CCRC, as determined by the Company in its sole and absolute discretion. The Resident agrees that if the Resident has been approved to have a pet living in the Apartment, and elects to do so, the Resident shall pay a non-refundable pet fee in the amount posted at the time the pet is registered.

- k. Smoking Policy. The CCRC is smoke-free. No smoking is permitted in the Apartment (to include any balconies) or in any other building or location in or on the CCRC's premises. The Resident agrees to abide by the CCRC's Rules and Regulations concerning smoking.

5. Nursing and Healthcare Services.

The CCRC will provide the Resident temporary or permanent assisted living services, assisted housing with services, and skilled nursing services (the "Healthcare Services") in the healthcare center adjacent to the CCRC (the "Healthcare Center"). A number of the beds in the Healthcare Center have been designated as "closed beds" under state laws and/or regulations and, as such, are reserved for Residents (the "Closed Beds"). In the event that these Closed Beds are fully occupied, the Resident will be given priority access to the available unreserved beds (the "Open Beds"). Service in the Healthcare Center shall be provided within the limits of the Company's license.

If the appropriate level of Healthcare Services based upon the needs of the Resident may not be obtained or are not provided within the Healthcare Center, such level of care must be obtained from another provider of healthcare services, including, but not necessarily limited to, a hospital, and the costs of those services shall be the sole responsibility of the Resident. The Resident (i) acknowledges and agrees that the Company will not be responsible for any claims, damages or expenses resulting from injury or death suffered by the Resident that is caused by, attributable to or in any way connected with the negligence or intentional acts or omissions of the physicians, employees or agents of any such other provider of healthcare services and (ii) releases the Company from liability for any such claims, damages or expenses.

6. Transfers of Resident

- a. Direct Transfer to the Healthcare Center. If after the execution of this Agreement and prior to the Occupancy Date, the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident no longer meets the qualifications to live independently in the CCRC, and this Agreement is not otherwise terminated, the Resident may be transferred directly to the Healthcare Center. All fees and other charges due must be paid prior to any direct transfer. In the event there is more than one Resident occupying the Apartment, and one Resident is transferred directly to the Healthcare Center, the other Resident shall continue to be obligated under this Agreement and pay the required Monthly Service Fee applicable to a single resident.

In the event the Healthcare Center is not yet completed and licensed to operate and the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident is precluded from living independently in the CCRC (the "Healthcare Transfers"), the Company will enter into a Transfer Agreement with a skilled nursing facility in reasonable proximity to the Company (the "Transfer Facility") pursuant to which the Transfer Facility shall agree to accept appropriate Healthcare Transfers from the Company. The Company will provide transportation

to the Healthcare Transfers to the Transfer Facility until such time as the Healthcare Center is available; provided however, the cost of the care at such Transfer Facility will be the responsibility of the Healthcare Transfer.

- b. Transfers to the Healthcare Center. The Resident agrees that the Company shall have the right to determine whether the Resident should be temporarily or permanently transferred from the Apartment to the Healthcare Center or from one level of care at the Healthcare Center to another level of care at the Healthcare Center. Such determination shall be in the Company's sole discretion and based on the professional opinion of the medical director of the Healthcare Center and the executive director of the CCRC that the Resident is no longer able to live independently or that living in the Apartment will endanger the Resident or the health and/or safety of others. Should the Resident fail to cooperate with a transfer of the Resident requested by the Company, the Company shall have the right to terminate this Agreement and the Resident shall no longer be permitted to live in the CCRC.
- c. Transfer Outside the CCRC. If, in the opinion of the Company, the physical or mental condition of the Resident requires services beyond that which can be provided by the facilities or personnel in the CCRC and the Healthcare Center or is beyond the scope of the services provided for in this Agreement, the Company may require that the Resident be temporarily or permanently transferred to a hospital, center, institution or other care environment equipped to give such care; provided however, the cost of the care at any such outside facility will be the responsibility of the Resident.
- d. Relinquishment of Apartment upon Permanent Transfer to the Healthcare Center or Outside Facility. If, in the sole discretion of the Company, the Resident's transfer to the Healthcare Center or to an outside facility is considered permanent, the Resident shall relinquish the Apartment and this Agreement shall terminate, unless there is a second Resident currently occupying the Apartment or unless otherwise approved by the Company.

7. Fees and Charges.

The following is a list of the fees and charges expected to be charged to the Residents of the CCRC.

- a. Apartment Selection Fee. Upon the execution of the Apartment Selection Agreement, the Resident paid an Apartment Selection Fee (the "Apartment Selection Fee") as identified in Exhibit A attached hereto. The Apartment Selection Fee is a nonrefundable fee (except as defined in Section 7.i. of this Agreement) and shall be applied to the first month's Monthly Service Fee.
- b. Community Fee. Upon the execution of the Apartment Selection Agreement, the Resident paid a Community Fee (the "Community Fee") as identified in Exhibit A attached hereto. The Community Fee is a one-time, nonrefundable fee (except as

defined in Section 7.i. of this Agreement) which entitles Residents priority access to all services and amenities of the Community. A Community Fee will not be charged to Residents upon any renewal of this Agreement.

- c. Security Deposit Fee. Upon the execution of this Agreement, the Resident shall make a Security Deposit payment to the Company equal to one Monthly Service Fee payment (the "Security Deposit"), which shall be deposited in accordance with statute, law or regulation of the federal, state, and local Government. If the Resident has complied with all terms of the Agreement and returns the Apartment in the same or materially similar condition as when the Resident moved into the Apartment, the Company will return the Security Deposit to the Resident within thirty (30) days after the Resident's move-out date. The Security Deposit shall be credited to the Resident as the last Monthly Service Fee payment in the event of the Resident's death. In the event that the Resident breaches or otherwise violates the Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Company. The Resident is additionally responsible for any expense incurred by the Company resulting from damages to the Apartment that are in excess of the Security Deposit. In the event that the Resident has entered into a Priority Partner Agreement (the "Priority Partner Agreement") and paid a refundable deposit to the Company (the "Priority Deposit"), the Priority Deposit shall be applied to the amount due as the Security Deposit.

- d. Monthly Service Fees. Throughout the Term, the Resident shall pay to the Company a Monthly Service Fee (the "Monthly Service Fee") in the amount of \$ _____, as described on Exhibit A attached hereto, for a single Resident. If the Apartment will be occupied by two Residents pursuant to this Agreement, an additional monthly amount of \$ _____ shall be paid by the second Resident. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5th) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Apartment is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Apartment prior to the first of a month, the Resident shall pay the Company the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If this Agreement does not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in Section 7 below.

- e. Adjustments to Monthly Service Fees. The Company reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days' written notice prior to any renewal of this Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC, the level and quality of services provided to the residents of the CCRC and consistent with operating on a sound financial basis.

- f. Fees for Optional Services. The Resident shall receive a monthly statement from the Company showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5th) day of each month. A list of fees for recurring optional services (“Optional Services”) the Resident has elected to purchase as of the date of this Agreement is attached hereto as Exhibit A.
- g. Healthcare Center Fees and Charges. The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, assisted housing with services, skilled nursing care and memory care services on a temporary or permanent basis. The Company shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty (30) days of residency in the Healthcare Center (each day being a “Discounted Fee Day”). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Care Agreement and in accordance with the then published Healthcare Center per diem charge.
- h. Fees for Occupancy in the Healthcare Center. In the event the Resident is transferred to the Healthcare Center, as determined in the sole discretion of the Company, the Resident shall pay the then published Healthcare Center per diem charge plus charges for other services not included in the Healthcare Center per diem charge, subject to available Discounted Fee Days. In addition, the Resident shall continue to be responsible for the Monthly Service Fee and other charges payable under this Agreement.
- i. Refund of Fees. If the Resident cancels during the Rescission Period (as defined in Section 8.a.i of this Agreement), the Priority Deposit, Apartment Selection Fee, Community Fee and Security Deposit (and any other fees paid by Resident) in accordance with this Residency and Care Agreement will be refunded to the Resident, without interest, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at Resident’s request and set forth in Exhibit A of this Agreement or in writing in a separate addendum to the Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company’s receipt of the Resident’s written notice of rescission. The Apartment Selection Fee and the Community Fee become non-refundable after the Rescission Period. The Security Deposit Fee is refundable and will be returned to the Resident within thirty (30) days after the Resident’s move-out date if the Resident has complied with all terms of the Agreement and returns the Apartment in the same or materially similar condition as when Resident moved into the Apartment. If the Resident breaches or otherwise violates the Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit Fee shall be forfeited to the Company.

- j. Late Charges. The Company will charge a one percent (1%) late payment charge per month on any Monthly Fees and extra charges that have not been paid within five (5) days after their due date.

8. Termination.

- a. Termination by Resident. Upon the termination of this Agreement, the Resident shall have no further right to reside in the CCRC. The Agreement may be terminated or cancelled by the Resident under the following terms and conditions:
 - i. Rescission During First Thirty (30) Days. The Resident may terminate this Agreement for any reason within thirty (30) days following the later of the execution of this Agreement or receipt by the Resident of the Disclosure Statement (the "Rescission Period"), and the Resident is not required to move into the facility before expiration of the Rescission Period. The Resident's termination of this Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident's request and set forth in Exhibit A of this Agreement or in writing in a separate addendum to the Agreement signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company receives written notice of the Resident's election to terminate this Agreement.
 - ii. Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in an Apartment, the Resident may terminate the Residency and Care Agreement for any reason after the Rescission Period but prior to the Occupancy Date upon written notice to the Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, the Community Fee, the Apartment Selection Fee, and any costs or other charges that the Resident and the Company agree in advance are non-refundable.
 - iii. General Termination Right. The Resident may terminate this Agreement at any time for any reason by giving the Company thirty (30) days' written notice signed by the Resident (or both of them if there are two Residents). In the event of termination by the Resident for reasons other than those permitted in this Agreement, the Resident shall pay the Company for all Optional Services rendered by the Company to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at the existing market rate.

b. Termination by Death or Serious Illness

- i. Termination by Death or Serious Illness Prior to the Occupancy Date. If, prior to the Occupancy Date, the Resident dies or is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, non-qualification or incapacity, this Agreement will automatically terminate. In the event this Agreement is terminated as provided for in this subsection, the Resident or the Resident's estate shall be entitled to a refund of any amounts paid to the Company, except, as the case may be, a service charge of One Thousand Dollars (\$1,000.00) and for costs or other charges that the Resident and the Company agree in advance are non-refundable. Such refund shall be paid by the Company within thirty (30) days after this Agreement is terminated pursuant to this subsection. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.
- ii. Termination by Death or Serious Illness After the Occupancy Date. If the Resident dies after the Occupancy Date or the Resident is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, or incapacity and the serious illness, injury or incapacity is not otherwise addressed by the provisions of Section 6, then this Agreement shall terminate. In such event, the Resident or the estate of the Resident shall pay for any Optional Services rendered to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment and the Apartment can be made ready for re-occupancy. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.

c. Termination by the Company

- i. Termination by the Company Prior to the Occupancy Date. If, in the Company's sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, this Agreement shall terminate upon the Company's notification to the Resident of non-approval. In such event, all amounts paid to the Company shall be refunded to the Resident within thirty (30) days after the Company provides the Resident notice of non-approval.
- ii. Termination by the Company after the Occupancy Date. The Company may terminate this Agreement upon thirty (30) days written notice to the Resident in the event of the following:

- (1) The Resident fails to make payments to the Company of any amounts when due and such failure is not cured within fifteen (15) days after notice is given to the Resident;
- (2) The Resident consistently fails to comply with any term of this Agreement not involving the payment of money or any provisions of the Rules and Regulations and the Resident fails to cure such non-compliance within seven (7) days after written notice from the Company; or
- (3) The Resident or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to the Company for its consideration of the Resident for residency in the CCRC.

- iii. Immediate Termination. If the Company determines in its sole and absolute discretion that the Resident's behavior interferes with or threatens to interfere with the safety of the Resident or the quiet enjoyment or safety of other residents, visitors and/or staff of the CCRC, or if the Resident's behavior is a detriment to other residents, visitors, and/or staff of the CCRC, the Company may immediately terminate this Agreement and the Resident shall promptly vacate the Apartment. In such event, the Resident shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until all of the Resident's personal belongings are removed from the Apartment.
- iv. Effect of Termination by the Company after the Occupancy Date. In the event the Company terminates this Agreement after the Occupancy Date pursuant to subsection c.ii or c.iii above, the Resident shall promptly vacate the Apartment, but shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment.

9. Miscellaneous

- a. Entire Agreement. This Agreement contains the entire agreement between the Resident and the Company. All prior discussions, agreements and negotiations are superseded by this Agreement.
- b. Successors and Assigns. The rights and privileges of the Resident under this Agreement, including but not limited to the right to and use the facilities of the CCRC under the terms of this Agreement, may not be transferred or assigned under any circumstances. The Company may transfer or assign this Agreement without the consent of the Resident. Except as provided for herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Company and to

the heirs, executors, personal representatives, any attorney-in-fact and administrators of the Resident.

- c. Severability. If any provisions of this Agreement are held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such provision had not been included.
- d. Indemnity. The Resident shall indemnify, defend and hold the Company harmless from any and all claims, damages or expenses, including attorney's fees and court costs, resulting from any injury or death to persons or damage to property caused by, resulting from, attributable to or in any way connected to the Resident's negligence or intentional act or omission.
- e. Joint and Several Liability. If there is more than one Resident, the rights and obligations of each of the Residents are joint and several, unless otherwise provided in this Agreement.
- f. Notice Provisions. Any notices, consents or other communications to the Company shall be in writing and addressed to all of the following parties:

Executive Director
630 CAROLINA BAY OPCO LLC
630 Carolina Bay Drive
Wilmington, North Carolina 28403

The Resident's address for the purpose of receiving notice under this Agreement prior to the Occupancy Date will be the address following the Resident's signature below. The address of the Resident for purposes of receiving notice under this Agreement after the Occupancy Date shall be the address of the Apartment.

- g. Religious or Charitable Affiliations. The Company is not affiliated with any religions or charitable organization
- h. Acknowledgement of Receipt of Disclosure Statement. The Resident acknowledges that he or she has received a copy of the current Disclosure Statement of the CCRC.

Initials Resident _____

 Resident _____

- i. Reading and Signing of Agreement. By signing this Agreement below, the Resident represents that he or she has read and agrees to all of the terms of this Agreement.

[Signatures begin on following page]

The Company and the Resident have signed this Agreement to be effective as of the date set forth on the first page.

RESIDENT:

Print Name: _____

Signature: _____

Date: _____

Address: _____

RESIDENT:

Print Name: _____

Signature: _____

Date: _____

Address: _____

630 CAROLINA BAY OPCO LLC

By: _____
_____, Authorized Representative

Date: _____

EXHIBIT A – FEE SCHEDULE

Resident Name(s) _____

Unit # _____

Agreement Date _____

Fees Paid at Apartment Selection Execution:	Amount
Apartment Selection Fee	
Community Fee	
Other Fees (specify):	
Total amount paid at Apartment Selection Agreement execution	\$

Fees Due at Residency and Care Agreement Execution:	Amount
Security Deposit Fee	
Less: Priority Partner Fee previously paid	()
Other Fees (specify):	
Total amount due at Residency and Care Agreement execution	\$

Monthly Fees:	Amount
First Person Service Fee	
Second Person Service Fee	
Other Fees (specify):	
Total monthly fees	\$

Note that the above-listed fees do not include fees for occupancy in the Healthcare Center that are described in Section 7 of the Agreement. In addition, fees for non-recurring Optional Services selected by the Resident shall be in the amount set forth in the schedule of fees provided by the Company.

The Resident acknowledges that he or she has reviewed and hereby approves the above tables of fees payable pursuant to this Agreement.

Initials	Resident	_____
	Resident	_____

EXHIBIT F

HISTORICAL AVERAGE DOLLAR AMOUNT OF INCREASES IN
FEES

[NOT APPLICABLE]