# BROOKDALE
SENIOR LIVING

# Supplemental Information

2nd Quarter 2022

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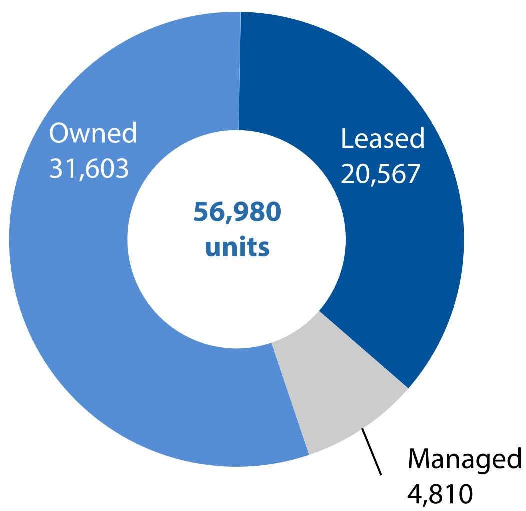
# Overview

| ($ in 000s, except RevPAR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 Better B/(Worse) (W) | YTD 2Q22 vs YTD 2Q21 B/(W) |
|---|---|---|---|---|---|---|---|---|---|
| Resident fee revenue | $ 664,350 | $ 673,978 | $ 600,095 | $ 605,425 | $2,543,848 | $ 636,974 | $ 640,388 | (5.0)% | (4.6)% |
| Senior Housing resident fee revenue | $ 577,499 | $ 586,665 | $ 600,095 | $ 605,425 | $2,369,684 | $ 636,974 | $ 640,388 | 9.2% | 9.7% |
| Health Care Services resident fee revenue (1) | $ 86,851 | $ 87,313 | $ — | $ — | $ 174,164 | $ — | $ — | N/A | N/A |
| Management fee revenue | $ 8,566 | $ 4,998 | $ 3,621 | $ 3,413 | $ 20,598 | $ 3,329 | $ 3,329 | (33.4)% | (50.9)% |
| Other operating income | $ 10,735 | $ 1,308 | $ 89 | $ 236 | $ 12,368 | $ 376 | $ 8,411 | NM | (27.0)% |
| Net income (loss) (1) | $(108,303) | $ (83,604) | $ 174,263 | $ (81,720) | $ (99,364) | $(100,032) | $ (84,283) | (0.8)% | 4.0% |
| Net cash provided by (used in) operating activities | $ (23,857) | $ 3,410 | $ 7,200 | $ (81,387) | $ (94,634) | $ (23,255) | $ 11,577 | NM | 42.9% |
| Adjusted EBITDA | $ 34,981 | $ 33,064 | $ 34,582 | $ 35,849 | $ 138,476 | $ 37,176 | $ 50,714 | 53.4% | 29.2% |
| Adjusted Free Cash Flow | $ (50,674) | $ (54,747) | $ (42,570) | $(138,703) | $ (286,694) | $ (53,493) | $ (48,463) | 11.5% | 3.3% |
| RevPAR | $ 3,631 | $ 3,692 | $ 3,784 | $ 3,828 | $ 3,734 | $ 4,032 | $ 4,071 | 10.3% | 10.6% |
| Weighted average occupancy | 69.6% | 70.5% | 72.5% | 73.5% | 71.5% | 73.4% | 74.6% | 410 bps | 400 bps |

**As of June 30, 2022**

**Consolidated: 641**


**Consolidated: 52,170**




**2Q 2022 weighted average occupancy (consolidated communities)**

| Occupancy Band | Community Count | % of Period End Communities |
|---|---|---|
| Greater than 95% | 69 | 11% |
| 90% > 95% | 58 | 9% |
| 85% > 90% | 61 | 10% |
| 80% > 85% | 67 | 10% |
| 75% > 80% | 81 | 13% |
| 70% > 75% | 79 | 12% |
| Less than 70% | 226 | 35% |
| Total | 641 | 100% |

(1) The Company sold 80% of its equity in its Health Care Services segment on July 1, 2021 (the "HCS Sale") and recognized a $286.5 million gain on the sale. For periods beginning July 1, 2021, the results and financial position of the Health Care Services segment are deconsolidated from the Company's consolidated financial statements and its 20% equity interest in the Health Care Services Venture (the "HCS Venture") is accounted for under the equity method of accounting.

**Important Note Regarding Non-GAAP Financial Measures**

- Adjusted EBITDA and Adjusted Free Cash Flow are financial measures that are not calculated in accordance with GAAP. See "Definitions" and "Non-GAAP Financial Measures" for the definitions of such measures and other important information regarding such measures, including reconciliations to the most comparable GAAP measures.

# Adjusted EBITDA and Adjusted Free Cash Flow

BROOKDALE SENIOR LIVING

| ($ in 000s) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| Senior Housing resident fee revenue | $ 577,499 | $ 586,665 | $ 600,095 | $ 605,425 | $2,369,684 | $ 636,974 | $ 640,388 | 9.2% | 9.7% |
| Health Care Services resident fee revenue | 86,851 | 87,313 | — | — | 174,164 | — | — | N/A | N/A |
| Management fee revenue | 8,566 | 4,998 | 3,621 | 3,413 | 20,598 | 3,329 | 3,329 | (33.4)% | (50.9)% |
| Other operating income | 10,735 | 1,308 | 89 | 236 | 12,368 | 376 | 8,411 | NM | (27.0)% |
| Senior Housing facility operating expense | (469,281) | (466,424) | (480,423) | (488,282) | (1,904,410) | (512,764) | (513,664) | (10.1)% | (9.7)% |
| Health Care Services facility operating expense | (87,031) | (84,422) | — | — | (171,453) | — | — | N/A | N/A |
| Combined Segment Operating Income | 127,339 | 129,438 | 123,382 | 120,792 | 500,951 | 127,915 | 138,464 | 7.0% | 3.7% |
| General and administrative expense [1] | (43,276) | (47,184) | (39,301) | (35,076) | (164,837) | (40,868) | (37,904) | 19.7% | 12.9% |
| Cash facility operating lease payments (see page 14) | (49,082) | (49,190) | (49,499) | (49,867) | (197,638) | (49,871) | (49,846) | (1.3)% | (1.5)% |
| **Adjusted EBITDA [2]** | **34,981** | **33,064** | **34,582** | **35,849** | **138,476** | **37,176** | **50,714** | **53.4%** | **29.2%** |
| Transaction and Organizational Restructuring Costs | (1,884) | (689) | (943) | (293) | (3,809) | (373) | (229) | 66.8% | 76.6% |
| Interest expense, net (see page 14) | (46,313) | (46,576) | (47,096) | (46,357) | (186,342) | (45,120) | (46,909) | (0.7)% | 0.9% |
| Payment of financing lease obligations | (4,789) | (4,864) | (5,039) | (5,182) | (19,874) | (5,490) | (5,610) | (15.3)% | (15.0)% |
| Changes in working capital [3] | (5,320) | (1,129) | 9,764 | (82,394) | (79,079) | (272) | (552) | 51.1% | 87.2% |
| Non-Development Capital Expenditures, net (see page 13) | (27,450) | (35,795) | (28,193) | (45,972) | (137,410) | (39,326) | (45,686) | (27.6)% | (34.4)% |
| Other [4] | 101 | 1,242 | (5,645) | 5,646 | 1,344 | (88) | (191) | NM | NM |
| **Adjusted Free Cash Flow [5]** | **$ (50,674)** | **$ (54,747)** | **$ (42,570)** | **$(138,703)** | **$(286,694)** | **$ (53,493)** | **$ (48,463)** | **11.5%** | **3.3%** |

(1) Excluding non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs, see page 12.
(2) Adjusted EBITDA includes government grants and credits recognized during the respective periods as presented in other operating income.
(3) Excludes changes in prepaid insurance premiums financed with notes payable, lessor capital expenditure reimbursements under operating leases, and changes in operating lease assets and liabilities for lease termination.
(4) Primarily consists of proceeds from property insurance and state income tax (provision) benefit.
(5) The Company's Adjusted Free Cash Flow includes the impacts of financial relief and repayment of temporary liquidity relief pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act"). Refer to page 20 for additional details.

# Adjusted EBITDA and Adjusted Free Cash Flow Distribution

BROOKDALE SENIOR LIVING

| ($ in 000s) | Total | Senior Housing Owned Portfolio | Senior Housing Leased Portfolio | Corporate [1] | All Other [2] |
|---|---|---|---|---|---|
| | 2Q 2022 | | | | |
| Resident fee revenue [3] | $ 640,388 | $ 374,231 | $ 266,157 | $ — | $ — |
| Management fee revenue | 3,329 | — | — | — | 3,329 |
| Other operating income | 8,411 | 5,240 | 3,171 | — | — |
| Facility operating expense | (513,664) | (307,694) | (205,970) | — | — |
| Combined Segment Operating Income | 138,464 | 71,777 | 63,358 | — | 3,329 |
| General and administrative expense (excluding non-cash stock-based compensation expense and transaction costs) *(see page 12)* | (37,904) | (20,419) | (14,523) | — | (2,962) |
| Cash facility operating lease payments | (49,846) | — | (48,486) | (1,360) | — |
| **Adjusted EBITDA [4]** | **50,714** | **51,358** | **349** | **(1,360)** | **367** |
| Transaction and Organizational Restructuring Costs | (229) | — | — | (229) | — |
| Interest expense, net | (46,909) | (35,693) | (11,658) | 442 | — |
| Payment of financing lease obligations | (5,610) | — | (5,438) | (172) | — |
| Changes in working capital [5] | (552) | — | — | (552) | — |
| Non-Development Capital Expenditures, net | (45,686) | (25,934) | (12,503) | (7,249) | — |
| Other | (191) | 382 | — | (573) | — |
| **Adjusted Free Cash Flow** | **$ (48,463)** | **$ (9,887)** | **$ (29,250)** | **$ (9,693)** | **$ 367** |

(1) Primarily consists of corporate capital expenditures, lease payments for corporate offices and information technology systems and equipment, state income tax (provision) benefit, Transaction and Organizational Restructuring Costs, changes in working capital, and interest income.
(2) All Other primarily includes communities operated by the Company pursuant to management agreements.
(3) Resident fee revenue excluded from definitions of RevPAR and RevPOR is $793 thousand.
(4) Adjusted EBITDA for the second quarter of 2022 includes $8.4 million of government grants and credits recognized in other operating income.
(5) Excludes changes in prepaid insurance premiums financed with notes payable and lessor capital expenditure reimbursements under operating leases.

# Segment Overview

BROOKDALE SENIOR LIVING

| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| **Total Senior Housing, Health Care Services, and All Other** | | | | | | | | | |
| Revenue [1] | $ 672,916 | $ 678,976 | $ 603,716 | $ 608,838 | $ 2,564,446 | $ 640,303 | $ 643,717 | (5.2)% | (5.0)% |
| Other operating income | $ 10,735 | $ 1,308 | $ 89 | $ 236 | $ 12,368 | $ 376 | $ 8,411 | NM | (27.0)% |
| Combined Segment Operating Income | $ 127,339 | $ 129,438 | $ 123,382 | $ 120,792 | $ 500,951 | $ 127,915 | $ 138,464 | 7.0% | 3.7% |
| *Combined segment operating margin* | *18.6%* | *19.0%* | *20.4%* | *19.8%* | *19.4%* | *20.0%* | *21.2%* | *220 bps* | *180 bps* |
| *Combined segment adjusted operating margin* [2] | *17.3%* | *18.9%* | *20.4%* | *19.8%* | *19.1%* | *19.9%* | *20.2%* | *130 bps* | *200 bps* |
| **Senior Housing Segments (see page 7)** | | | | | | | | | |
| Revenue | $ 577,499 | $ 586,665 | $ 600,095 | $ 605,425 | $ 2,369,684 | $ 636,974 | $ 640,388 | 9.2% | 9.7% |
| Other operating income | $ 8,152 | $ 786 | $ 89 | $ 236 | $ 9,263 | $ 376 | $ 8,411 | NM | (1.7)% |
| Senior Housing Operating Income | $ 116,370 | $ 121,027 | $ 119,761 | $ 117,379 | $ 474,537 | $ 124,586 | $ 135,135 | 11.7% | 9.4% |
| *Senior Housing operating margin* | *19.9%* | *20.6%* | *20.0%* | *19.4%* | *19.9%* | *19.5%* | *20.8%* | *20 bps* | *0 bps* |
| *Senior Housing adjusted operating margin* [2] | *18.7%* | *20.5%* | *19.9%* | *19.3%* | *19.6%* | *19.5%* | *19.8%* | *(70) bps* | *0 bps* |
| Number of communities (period end) | 650 | 648 | 648 | 646 | 646 | 645 | 641 | (1.1)% | (1.1)% |
| Total Average Units | 52,971 | 52,911 | 52,811 | 52,665 | 52,840 | 52,586 | 52,368 | (1.0)% | (0.9)% |
| RevPAR | $ 3,631 | $ 3,692 | $ 3,784 | $ 3,828 | $ 3,734 | $ 4,032 | $ 4,071 | 10.3% | 10.6% |
| Weighted average occupancy | 69.6% | 70.5% | 72.5% | 73.5% | 71.5% | 73.4% | 74.6% | 410 bps | 400 bps |
| RevPOR | $ 5,219 | $ 5,237 | $ 5,219 | $ 5,210 | $ 5,221 | $ 5,493 | $ 5,459 | 4.2% | 4.7% |
| **Health Care Services Segment** [3] | | | | | | | | | |
| Revenue | $ 86,851 | $ 87,313 | $ — | $ — | $ 174,164 | $ — | $ — | N/A | N/A |
| Other operating income | $ 2,583 | $ 522 | $ — | $ — | $ 3,105 | $ — | $ — | N/A | N/A |
| Segment Operating Income | $ 2,403 | $ 3,413 | $ — | $ — | $ 5,816 | $ — | $ — | N/A | N/A |
| **All Other** | | | | | | | | | |
| All Other Segment Operating Income (comprised solely of management fees) | $ 8,566 | $ 4,998 | $ 3,621 | $ 3,413 | $ 20,598 | $ 3,329 | $ 3,329 | (33.4)% | (50.9)% |
| Resident fee revenue under management [4] | $ 82,468 | $ 64,410 | $ 55,156 | $ 51,409 | $ 253,443 | $ 52,898 | $ 54,284 | (15.7)% | (27.0)% |

(1) Excludes reimbursed costs on behalf of managed communities.
(2) Excludes other operating income.
(3) The Company sold 80% of its equity in its Health Care Services segment on July 1, 2021 and recognized a $286.5 million gain on the sale. For periods beginning July 1, 2021, the results and financial position of the Health Care Services segment are deconsolidated from the Company's consolidated financial statements and its 20% equity interest in the HCS Venture is accounted for under the equity method of accounting.
(4) Not included in consolidated reported amounts.

# Senior Housing Segments

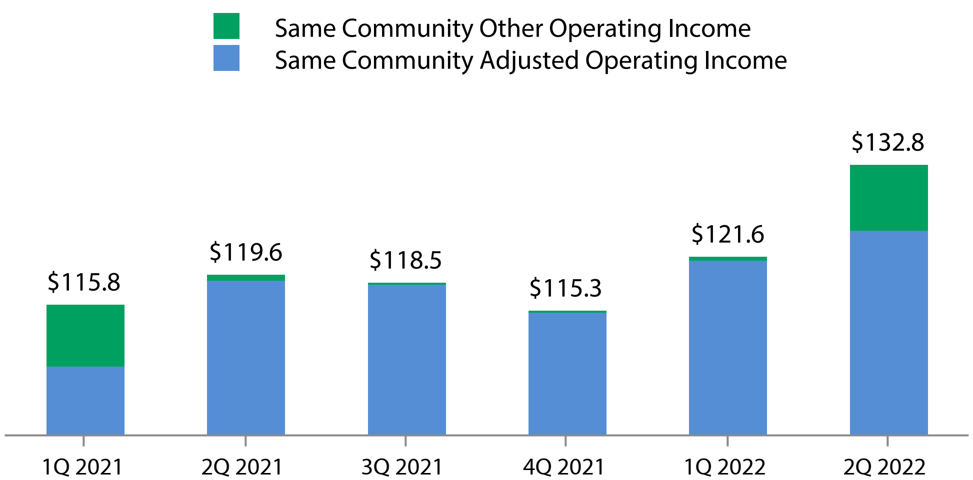
| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| **Independent Living** | | | | | | | | | |
| Revenue | $ 118,782 | $ 118,005 | $ 119,584 | $ 119,167 | $ 475,538 | $ 124,404 | $ 125,578 | 6.4% | 5.6% |
| Other operating income | $ 1,364 | $ 111 | $ 9 | $ 28 | $ 1,512 | $ 2 | $ 1,159 | NM | (21.3)% |
| Segment Operating Income | $ 37,329 | $ 35,292 | $ 36,733 | $ 36,754 | $ 146,108 | $ 37,684 | $ 38,709 | 9.7% | 5.2% |
| *Segment operating margin* | *31.1%* | *29.9%* | *30.7%* | *30.8%* | *30.6%* | *30.3%* | *30.5%* | *60 bps* | *(10) bps* |
| *Segment adjusted operating margin* (1) | *30.3%* | *29.8%* | *30.7%* | *30.8%* | *30.4%* | *30.3%* | *29.9%* | *10 bps* | *10 bps* |
| Number of communities (period end) | 68 | 68 | 68 | 68 | 68 | 68 | 68 | —% | —% |
| Total Average Units | 12,539 | 12,552 | 12,567 | 12,567 | 12,556 | 12,568 | 12,569 | 0.1% | 0.2% |
| RevPAR | $ 3,158 | $ 3,134 | $ 3,172 | $ 3,161 | $ 3,156 | $ 3,299 | $ 3,330 | 6.3% | 5.4% |
| Weighted average occupancy | 73.6% | 73.5% | 74.7% | 75.1% | 74.2% | 74.6% | 76.0% | 250 bps | 180 bps |
| RevPOR | $ 4,290 | $ 4,266 | $ 4,244 | $ 4,208 | $ 4,252 | $ 4,423 | $ 4,380 | 2.7% | 2.9% |
| **Assisted Living and Memory Care** | | | | | | | | | |
| Revenue | $ 386,938 | $ 391,718 | $ 402,621 | $ 408,444 | $ 1,589,721 | $ 432,132 | $ 434,454 | 10.9% | 11.3% |
| Other operating income | $ 5,104 | $ 629 | $ 75 | $ 155 | $ 5,963 | $ 356 | $ 6,412 | NM | 18.1% |
| Segment Operating Income | $ 71,433 | $ 77,062 | $ 75,324 | $ 70,501 | $ 294,320 | $ 76,863 | $ 87,588 | 13.7% | 10.7% |
| *Segment operating margin* | *18.2%* | *19.6%* | *18.7%* | *17.3%* | *18.4%* | *17.8%* | *19.9%* | *30 bps* | *(10) bps* |
| *Segment adjusted operating margin* (1) | *17.1%* | *19.5%* | *18.7%* | *17.2%* | *18.1%* | *17.7%* | *18.7%* | *(80) bps* | *(10) bps* |
| Number of communities (period end) | 562 | 560 | 560 | 559 | 559 | 558 | 554 | (1.1)% | (1.1)% |
| Total Average Units | 35,110 | 35,018 | 34,893 | 34,883 | 34,977 | 34,817 | 34,598 | (1.2)% | (1.0)% |
| RevPAR | $ 3,673 | $ 3,728 | $ 3,845 | $ 3,902 | $ 3,787 | $ 4,136 | $ 4,183 | 12.2% | 12.4% |
| Weighted average occupancy | 68.3% | 69.5% | 71.9% | 73.1% | 70.7% | 73.0% | 74.2% | 470 bps | 470 bps |
| RevPOR | $ 5,376 | $ 5,365 | $ 5,347 | $ 5,341 | $ 5,357 | $ 5,665 | $ 5,636 | 5.1% | 5.2% |
| **CCRCs** | | | | | | | | | |
| Revenue | $ 71,779 | $ 76,942 | $ 77,890 | $ 77,814 | $ 304,425 | $ 80,438 | $ 80,356 | 4.4% | 8.1% |
| Other operating income | $ 1,684 | $ 46 | $ 5 | $ 53 | $ 1,788 | $ 18 | $ 840 | NM | (50.4)% |
| Segment Operating Income | $ 7,608 | $ 8,673 | $ 7,704 | $ 10,124 | $ 34,109 | $ 10,039 | $ 8,838 | 1.9% | 15.9% |
| *Segment operating margin* | *10.4%* | *11.3%* | *9.9%* | *13.0%* | *11.1%* | *12.5%* | *10.9%* | *(40) bps* | *90 bps* |
| *Segment adjusted operating margin* (1) | *8.3%* | *11.2%* | *9.9%* | *12.9%* | *10.6%* | *12.5%* | *10.0%* | *(120) bps* | *140 bps* |
| Number of communities (period end) | 20 | 20 | 20 | 19 | 19 | 19 | 19 | (5.0)% | (5.0)% |
| Total Average Units | 5,322 | 5,341 | 5,351 | 5,215 | 5,307 | 5,201 | 5,201 | (2.6)% | (2.5)% |
| RevPAR | $ 4,473 | $ 4,770 | $ 4,824 | $ 4,946 | $ 4,753 | $ 5,109 | $ 5,115 | 7.2% | 10.6% |
| Weighted average occupancy | 68.5% | 70.2% | 71.2% | 72.5% | 70.6% | 73.2% | 73.4% | 320 bps | 400 bps |
| RevPOR | $ 6,534 | $ 6,790 | $ 6,777 | $ 6,825 | $ 6,733 | $ 6,976 | $ 6,970 | 2.7% | 4.6% |

(1) Excludes other operating income.

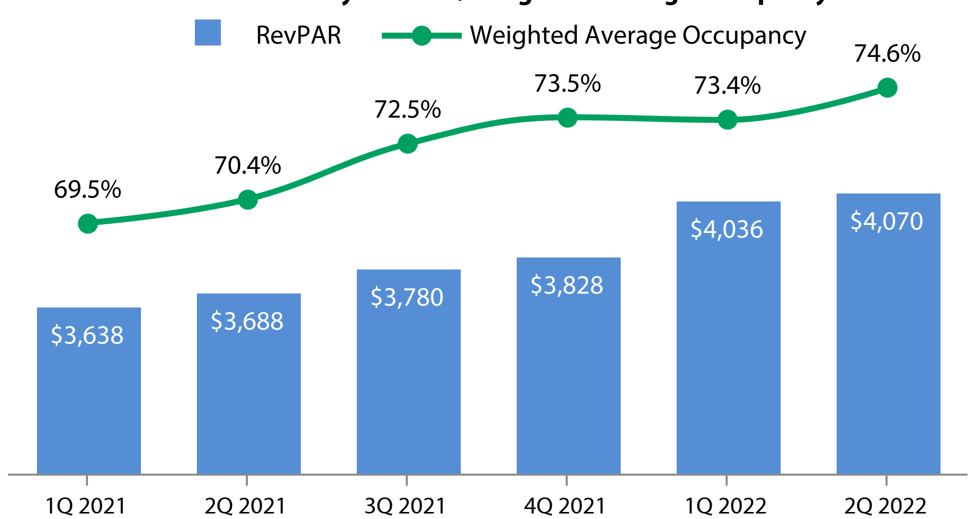
# Senior Housing: Same Community (1)

| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | $ 552,104 | $ 559,667 | $ 573,689 | $ 580,972 | $ 2,266,432 | $ 612,602 | $ 617,730 | 10.4% | 10.7% |
| Other operating income | 7,343 | 763 | 88 | 236 | 8,430 | 358 | 8,015 | NM | 3.3% |
| Revenue and other operating income | 559,447 | 560,430 | 573,777 | 581,208 | 2,274,862 | 612,960 | 625,745 | 11.7% | 10.6% |
| Community Labor Expenses | (292,256) | (291,065) | (302,007) | (317,206) | (1,202,534) | (331,013) | (331,690) | (14.0)% | (13.6)% |
| Other facility operating expenses | (151,369) | (149,805) | (153,276) | (148,717) | (603,167) | (160,313) | (161,249) | (7.6)% | (6.8)% |
| Facility operating expenses[2] | (443,625) | (440,870) | (455,283) | (465,923) | (1,805,701) | (491,326) | (492,939) | (11.8)% | (11.3)% |
| **Same Community Operating Income** | **$ 115,822** | **$ 119,560** | **$ 118,494** | **$ 115,285** | **$ 469,161** | **$ 121,634** | **$ 132,806** | **11.1%** | **8.1%** |
| **Same Community adjusted operating income[3]** | **$ 108,479** | **$ 118,797** | **$ 118,406** | **$ 115,049** | **$ 460,731** | **$ 121,276** | **$ 124,791** | **5.0%** | **8.3%** |
| *Same Community operating margin* | *20.7%* | *21.3%* | *20.7%* | *19.8%* | *20.6%* | *19.8%* | *21.2%* | *(10) bps* | *(50) bps* |
| *Same Community adjusted operating margin[3]* | *19.6%* | *21.2%* | *20.6%* | *19.8%* | *20.3%* | *19.8%* | *20.2%* | *(100) bps* | *(40) bps* |
| | | | | | | | | | |
| Total Average Units | 50,589 | 50,589 | 50,589 | 50,591 | 50,590 | 50,592 | 50,594 | —% | —% |
| RevPAR | $ 3,638 | $ 3,688 | $ 3,780 | $ 3,828 | $ 3,734 | $ 4,036 | $ 4,070 | 10.4% | 10.6% |
| Weighted average occupancy | 69.5% | 70.4% | 72.5% | 73.5% | 71.5% | 73.4% | 74.6% | *420 bps* | *400 bps* |
| RevPOR | $ 5,232 | $ 5,236 | $ 5,214 | $ 5,207 | $ 5,222 | $ 5,498 | $ 5,456 | 4.2% | 4.6% |

**Same Community Operating Income[2] / Adjusted Operating Income[3]**
**($ in millions)**




**Same Community RevPAR / Weighted Average Occupancy**




(1) Same Community portfolio reflects 633 communities.
(2) Excludes natural disaster expense of $1.6 million for the full year 2021.
(3) Excludes other operating income.

# Senior Housing Segments: Same Community [1]

| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| **Independent Living** | | | | | | | | | |
| Revenue | $ 117,572 | $ 116,715 | $ 118,100 | $ 117,685 | $ 470,072 | $ 122,846 | $ 123,890 | 6.1% | 5.3% |
| Other operating income | 1,345 | 111 | 8 | 28 | 1,492 | 2 | 1,146 | NM | (21.2)% |
| Community Labor Expense | (49,028) | (49,617) | (48,360) | (48,848) | (195,853) | (51,053) | (52,449) | (5.7)% | (4.9)% |
| Other facility operating expense | (32,839) | (32,156) | (33,316) | (32,531) | (130,842) | (34,632) | (34,430) | (7.1)% | (6.3)% |
| Facility operating expense | (81,867) | (81,773) | (81,676) | (81,379) | (326,695) | (85,685) | (86,879) | (6.2)% | (5.5)% |
| Same Community Operating Income | $ 37,050 | $ 35,053 | $ 36,432 | $ 36,334 | $ 144,869 | $ 37,163 | $ 38,157 | 8.9% | 4.5% |
| *Same Community operating margin* | *31.2%* | *30.0%* | *30.8%* | *30.9%* | *30.7%* | *30.3%* | *30.5%* | *50 bps* | *(20) bps* |
| *Same Community adjusted operating margin [2]* | *30.4%* | *29.9%* | *30.8%* | *30.9%* | *30.5%* | *30.3%* | *29.9%* | *0 bps* | *(10) bps* |
| Total Average Units | 12,373 | 12,376 | 12,377 | 12,377 | 12,376 | 12,378 | 12,379 | —% | —% |
| RevPAR | $ 3,167 | $ 3,144 | $ 3,181 | $ 3,169 | $ 3,165 | $ 3,308 | $ 3,336 | 6.1% | 5.3% |
| Weighted average occupancy | 73.5% | 73.4% | 74.7% | 75.1% | 74.2% | 74.6% | 75.9% | 250 bps | 190 bps |
| RevPOR | $ 4,310 | $ 4,285 | $ 4,259 | $ 4,221 | $ 4,269 | $ 4,435 | $ 4,393 | 2.5% | 2.7% |
| **Assisted Living and Memory Care** | | | | | | | | | |
| Revenue | $ 378,959 | $ 384,404 | $ 396,013 | $ 401,779 | $ 1,561,155 | $ 425,894 | $ 429,970 | 11.9% | 12.1% |
| Other operating income | 4,918 | 609 | 76 | 155 | 5,758 | 356 | 6,291 | NM | 20.3% |
| Community Labor Expense | (209,355) | (206,577) | (217,984) | (231,473) | (865,389) | (241,429) | (240,083) | (16.2)% | (15.8)% |
| Other facility operating expense | (102,331) | (101,520) | (103,474) | (100,468) | (407,793) | (108,951) | (109,340) | (7.7)% | (7.1)% |
| Facility operating expense | (311,686) | (308,097) | (321,458) | (331,941) | (1,273,182) | (350,380) | (349,423) | (13.4)% | (12.9)% |
| Same Community Operating Income | $ 72,191 | $ 76,916 | $ 74,631 | $ 69,993 | $ 293,731 | $ 75,870 | $ 86,838 | 12.9% | 9.1% |
| *Same Community operating margin* | *18.8%* | *20.0%* | *18.8%* | *17.4%* | *18.7%* | *17.8%* | *19.9%* | *(10) bps* | *(50) bps* |
| *Same Community adjusted operating margin [2]* | *17.8%* | *19.9%* | *18.8%* | *17.4%* | *18.4%* | *17.7%* | *18.7%* | *(120) bps* | *(60) bps* |
| Total Average Units | 34,241 | 34,238 | 34,237 | 34,238 | 34,239 | 34,239 | 34,240 | —% | —% |
| RevPAR | $ 3,689 | $ 3,742 | $ 3,856 | $ 3,912 | $ 3,800 | $ 4,146 | $ 4,186 | 11.9% | 12.1% |
| Weighted average occupancy | 68.3% | 69.4% | 71.9% | 73.0% | 70.7% | 72.9% | 74.2% | 480 bps | 470 bps |
| RevPOR | $ 5,405 | $ 5,390 | $ 5,366 | $ 5,357 | $ 5,380 | $ 5,684 | $ 5,642 | 4.7% | 4.9% |
| **CCRCs** | | | | | | | | | |
| Revenue | $ 55,573 | $ 58,548 | $ 59,576 | $ 61,508 | $ 235,205 | $ 63,862 | $ 63,870 | 9.1% | 11.9% |
| Other operating income | 1,080 | 43 | 4 | 53 | 1,180 | — | 578 | NM | (48.5)% |
| Community Labor Expense | (33,873) | (34,871) | (35,663) | (36,885) | (141,292) | (38,531) | (39,158) | (12.3)% | (13.0)% |
| Other facility operating expense | (16,199) | (16,129) | (16,486) | (15,718) | (64,532) | (16,730) | (17,479) | (8.4)% | (5.8)% |
| Facility operating expense | (50,072) | (51,000) | (52,149) | (52,603) | (205,824) | (55,261) | (56,637) | (11.1)% | (10.7)% |
| Same Community Operating Income | $ 6,581 | $ 7,591 | $ 7,431 | $ 8,958 | $ 30,561 | $ 8,601 | $ 7,811 | 2.9% | 15.8% |
| *Same Community operating margin* | *11.6%* | *13.0%* | *12.5%* | *14.6%* | *12.9%* | *13.5%* | *12.1%* | *(90) bps* | *50 bps* |
| *Same Community adjusted operating margin [2]* | *9.9%* | *12.9%* | *12.5%* | *14.5%* | *12.5%* | *13.5%* | *11.3%* | *(160) bps* | *100 bps* |
| Total Average Units | 3,975 | 3,975 | 3,975 | 3,976 | 3,975 | 3,975 | 3,975 | —% | —% |
| RevPAR | $ 4,660 | $ 4,910 | $ 4,996 | $ 5,157 | $ 4,931 | $ 5,355 | $ 5,356 | 9.1% | 11.9% |
| Weighted average occupancy | 68.2% | 69.9% | 71.3% | 72.8% | 70.6% | 73.7% | 73.9% | 400 bps | 480 bps |
| RevPOR | $ 6,833 | $ 7,028 | $ 7,005 | $ 7,083 | $ 6,987 | $ 7,267 | $ 7,246 | 3.1% | 4.7% |

(1) Same Community portfolio reflects 67 Independent Living communities, 551 Assisted Living and Memory Care communities, and 15 CCRC communities.
(2) Excludes other operating income.

# Senior Housing Owned Portfolio

| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | $ 336,160 | $ 342,355 | $ 350,664 | $ 352,894 | $ 1,382,073 | $ 370,337 | $ 374,231 | 9.3% | 9.7% |
| Other operating income | 5,098 | 552 | 77 | 196 | 5,923 | 300 | 5,240 | NM | (1.9)% |
| Facility operating expense | (280,235) | (280,169) | (287,180) | (290,347) | (1,137,931) | (304,715) | (307,694) | (9.8)% | (9.3)% |
| **Owned Portfolio Operating Income** | **$ 61,023** | **$ 62,738** | **$ 63,561** | **$ 62,743** | **$ 250,065** | **$ 65,922** | **$ 71,777** | **14.4%** | **11.3%** |
| *Owned Portfolio operating margin* | *17.9%* | *18.3%* | *18.1%* | *17.8%* | *18.0%* | *17.8%* | *18.9%* | *60 bps* | *30 bps* |
| *Owned Portfolio adjusted operating margin* [1] | *16.6%* | *18.2%* | *18.1%* | *17.7%* | *17.7%* | *17.7%* | *17.8%* | *(40) bps* | *30 bps* |
| **Additional Information** | | | | | | | | | |
| Interest expense: property level and corporate debt | $ (35,351) | $ (35,425) | $ (35,708) | $ (34,925) | $ (141,409) | $ (33,157) | $ (35,693) | (0.8)% | 2.7% |
| Community level capital expenditures, net (see page 13) | $ (14,286) | $ (16,973) | $ (17,237) | $ (25,203) | $ (73,699) | $ (20,907) | $ (25,934) | (52.8)% | (49.8)% |
| Number of communities (period end) | 349 | 348 | 348 | 347 | 347 | 347 | 346 | (0.6)% | (0.6)% |
| Total Average Units | 31,844 | 31,785 | 31,783 | 31,648 | 31,766 | 31,635 | 31,694 | (0.3)% | (0.5)% |
| RevPAR | $ 3,514 | $ 3,584 | $ 3,672 | $ 3,711 | $ 3,620 | $ 3,893 | $ 3,928 | 9.6% | 10.2% |
| Weighted average occupancy | 68.4% | 69.6% | 71.7% | 72.7% | 70.6% | 72.5% | 73.6% | 400 bps | 410 bps |
| RevPOR | $ 5,135 | $ 5,151 | $ 5,121 | $ 5,108 | $ 5,128 | $ 5,370 | $ 5,333 | 3.5% | 4.0% |

| | |
|---|---|
| Interest Coverage as of June 30, 2022 | 1.3x |
| Net Debt as of June 30, 2022 *(see page 15)* | $3,414,205 |

(1) Excludes other operating income.

# Senior Housing Leased Portfolio

| ($ in 000s, except RevPAR and RevPOR) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | $ 241,339 | $ 244,310 | $ 249,431 | $ 252,531 | $ 987,611 | $ 266,637 | $ 266,157 | 8.9% | 9.7% |
| Other operating income | 3,054 | 234 | 12 | 40 | 3,340 | 76 | 3,171 | NM | (1.2)% |
| Facility operating expense | (189,046) | (186,255) | (193,243) | (197,935) | (766,479) | (208,049) | (205,970) | (10.6)% | (10.3)% |
| **Leased Portfolio Operating Income** | **$ 55,347** | **$ 58,289** | **$ 56,200** | **$ 54,636** | **$ 224,472** | **$ 58,664** | **$ 63,358** | **8.7%** | **7.4%** |
| *Leased Portfolio operating margin* | *22.6%* | *23.8%* | *22.5%* | *21.6%* | *22.7%* | *22.0%* | *23.5%* | *(30) bps* | *(40) bps* |
| *Leased Portfolio adjusted operating margin* (1) | *21.7%* | *23.8%* | *22.5%* | *21.6%* | *22.4%* | *22.0%* | *22.6%* | *(120) bps* | *(40) bps* |
| **Additional Information** | | | | | | | | | |
| Cash facility lease payments on leased portfolio (see page 14) | $ (63,762) | $ (64,008) | $ (64,423) | $ (64,979) | $ (257,172) | $ (65,509) | $ (65,582) | (2.5)% | (2.6)% |
| Community level capital expenditures, net (see page 13) | $ (7,550) | $ (14,444) | $ (3,340) | $ (10,713) | $ (36,047) | $ (12,572) | $ (12,503) | 13.4% | (14.0)% |
| Number of communities (period end) | 301 | 300 | 300 | 299 | 299 | 298 | 295 | (1.7)% | (1.7)% |
| Total Average Units | 21,127 | 21,126 | 21,028 | 21,017 | 21,074 | 20,951 | 20,674 | (2.1)% | (1.5)% |
| RevPAR | $ 3,808 | $ 3,855 | $ 3,954 | $ 4,005 | $ 3,905 | $ 4,242 | $ 4,291 | 11.3% | 11.4% |
| Weighted average occupancy | 71.3% | 71.9% | 73.7% | 74.7% | 72.9% | 74.8% | 76.0% | 410 bps | 380 bps |
| RevPOR | $ 5,340 | $ 5,361 | $ 5,362 | $ 5,359 | $ 5,356 | $ 5,672 | $ 5,646 | 5.3% | 5.8% |

| | |
|---|---|
| Lease Coverage as of June 30, 2022 | 0.67x |
| Lease Coverage as of June 30, 2022 (excluding other operating income) | 0.66x |
| Operating and financing lease obligations as of June 30, 2022 (see page 24)(2) | $1,280,937 |

**Facility Lease Maturity Information (Leased Portfolio as of June 30, 2022)**

| Initial Lease Maturities | Community Count | Total Units | Cash Facility Lease Payments for the Twelve Months Ended June 30, 2022 |
|---|---|---|---|
| 2023 | 35 | 1,468 | $ 14,584 |
| 2024 | 7 | 904 | 14,629 |
| 2025 | 121 | 10,289 | 103,948 |
| 2026 | 41 | 1,994 | 32,969 |
| Thereafter | 91 | 5,912 | 90,527 |
| Total | 295 | 20,567 | $ 256,657 |

(1) Excludes other operating income.
(2) Amount recognized on consolidated balance sheet reflects the discounted future minimum lease payments and the residual value for financing lease obligations.

# G&A Expense

| Consolidated, unless otherwise noted ($ in 000s) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| G&A expense allocations (1) | | | | | | | | | |
| Senior Housing Owned Portfolio allocation | $ 19,358 | $ 22,010 | $ 21,004 | $ 18,871 | $ 81,243 | $ 21,938 | $ 20,419 | 7.2% | (2.4)% |
| Senior Housing Leased Portfolio allocation | 13,898 | 15,706 | 14,941 | 13,504 | 58,049 | 15,795 | 14,523 | 7.5% | (2.4)% |
| All Other allocation | 4,994 | 4,257 | 3,356 | 2,701 | 15,308 | 3,135 | 2,962 | 30.4% | 34.1% |
| Health Care Services allocation | 5,026 | 5,211 | — | — | 10,237 | — | — | N/A | N/A |
| Subtotal G&A expense allocations | 43,276 | 47,184 | 39,301 | 35,076 | 164,837 | 40,868 | 37,904 | 19.7% | 12.9% |
| Non-cash stock-based compensation expense | 4,783 | 4,527 | 3,568 | 3,392 | 16,270 | 3,885 | 3,619 | 20.1% | 19.4% |
| Transaction and Organizational Restructuring Costs | 1,884 | 689 | 943 | 293 | 3,809 | 373 | 229 | 66.8% | 76.6% |
| **General and administrative expense** | **$ 49,943** | **$ 52,400** | **$ 43,812** | **$ 38,761** | **$ 184,916** | **$ 45,126** | **$ 41,752** | **20.3%** | **15.1%** |

| | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| Resident fee revenue | $ 664,350 | $ 673,978 | $ 600,095 | $ 605,425 | $2,543,848 | $ 636,974 | $ 640,388 | (5.0)% | (4.6)% |
| Resident fee revenue under management (2) | 82,468 | 64,410 | 55,156 | 51,409 | 253,443 | 52,898 | 54,284 | (15.7)% | (27.0)% |
| Total (consolidated and under management) (2) | $ 746,818 | $ 738,388 | $ 655,251 | $ 656,834 | $2,797,291 | $ 689,872 | $ 694,672 | (5.9)% | (6.8)% |
| **G&A Expense as a Percentage of Resident Fee Revenue (Consolidated and Under Management)** | | | | | | | | | |
| *G&A expense (excluding non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs)* | *5.8%* | *6.4%* | *6.0%* | *5.3%* | *5.9%* | *5.9%* | *5.5%* | 90 bps | 40 bps |
| *G&A expense (including non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs)* | *6.7%* | *7.1%* | *6.7%* | *5.9%* | *6.6%* | *6.5%* | *6.0%* | 110 bps | 60 bps |

(1) For 2022 periods, G&A allocations are calculated based on the proportional amount of resident fee revenue (consolidated and under management) attributable to the segment or portfolio. For 2021 periods, G&A allocations are calculated using a methodology which the Company believed matched the type of general and administrative cost with the community, segment, or portfolio. Some of the allocations are based on direct utilization and some are based on formulas such as unit proportion. G&A allocations presented herein exclude non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs.

(2) Not included in consolidated reported amounts.

# Capital Expenditures

| ($ in 000s, except for community level capital expenditures, net, per average unit) | | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|---|
| Community level capital expenditures, including allocations | | | | | | | | | | |
| Senior Housing Owned Portfolio | | $ 14,286 | $ 16,973 | $ 17,237 | $ 25,203 | $ 73,699 | $ 20,907 | $ 25,934 | (52.8)% | (49.8)% |
| Senior Housing Leased Portfolio | | 7,550 | 14,444 | 3,340 | 10,713 | 36,047 | 12,572 | 12,503 | 13.4% | (14.0)% |
| Community level capital expenditures, net | (A) | 21,836 | 31,417 | 20,577 | 35,916 | 109,746 | 33,479 | 38,437 | (22.3)% | (35.0)% |
| Corporate capital expenditures | | 5,614 | 4,378 | 7,616 | 10,056 | 27,664 | 5,847 | 7,249 | (65.6)% | (31.1)% |
| **Non-Development Capital Expenditures, net** | | **27,450** | **35,795** | **28,193** | **45,972** | **137,410** | **39,326** | **45,686** | **(27.6)%** | **(34.4)%** |
| | | | | | | | | | | |
| Development Capital Expenditures, net | | 1,521 | 597 | 608 | 482 | 3,208 | 861 | 1,829 | NM | (27.0)% |
| **Total capital expenditures, net** | | **$ 28,971** | **$ 36,392** | **$ 28,801** | **$ 46,454** | **$140,618** | **$ 40,187** | **$ 47,515** | **(30.6)%** | **(34.2)%** |
| | | | | | | | | | | |
| Lessor reimbursements: non-development capital expenditures | | 8,951 | 10,001 | 15,688 | 7,460 | 42,100 | 4,697 | 7,136 | | |
| Change in related payables | | 2,439 | (7,216) | 1,790 | (3,074) | (6,061) | (4,928) | 2,244 | | |
| **Total cash paid for capital expenditures** | | **$ 40,361** | **$ 39,177** | **$ 46,279** | **$ 50,840** | **$176,657** | **$ 39,956** | **$ 56,895** | **(45.2)%** | **(21.8)%** |
| | | | | | | | | | | |
| Senior Housing Total Average Units | (B) | 52,971 | 52,911 | 52,811 | 52,665 | 52,840 | 52,586 | 52,368 | (1.0)% | (0.9)% |
| Community level capital expenditures, net, per average unit | (A/B) | $ 412 | $ 594 | $ 390 | $ 682 | $ 2,077 | $ 637 | $ 734 | (23.6)% | (36.2%) |

# Cash Facility Lease Payments

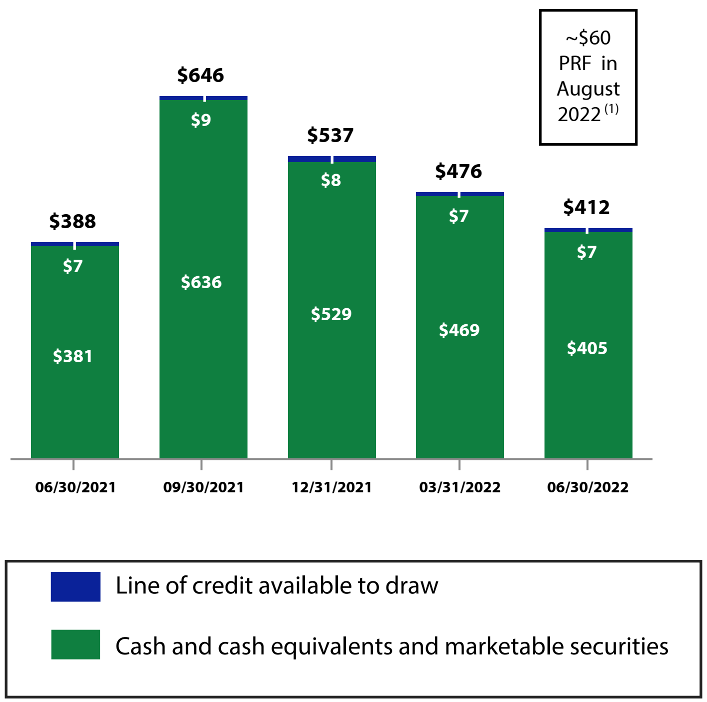
| ($ in 000s) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | 2Q22 vs 2Q21 B(W) | YTD 2Q22 vs YTD 2Q21 B(W) |
|---|---|---|---|---|---|---|---|---|---|
| **Operating Lease Obligations** | | | | | | | | | |
| Facility operating lease expense | $ 44,418 | $ 43,864 | $ 43,226 | $ 42,850 | $ 174,358 | $ 41,564 | $ 41,538 | | |
| Operating lease expense adjustment | 4,664 | 5,326 | 6,273 | 7,017 | 23,280 | 8,307 | 8,308 | | |
| Cash facility operating lease payments | 49,082 | 49,190 | 49,499 | 49,867 | 197,638 | 49,871 | 49,846 | (1.3)% | (1.5)% |
| **Financing Lease Obligations** | | | | | | | | | |
| Interest expense: financing lease obligations | 11,383 | 11,492 | 11,674 | 11,733 | 46,282 | 12,058 | 11,994 | | |
| Payment of financing lease obligations | 4,789 | 4,864 | 5,039 | 5,182 | 19,874 | 5,490 | 5,610 | | |
| Cash financing lease payments | 16,172 | 16,356 | 16,713 | 16,915 | 66,156 | 17,548 | 17,604 | (7.6)% | (8.1)% |
| **Total cash facility lease payments (1)** | **$ 65,254** | **$ 65,546** | **$ 66,212** | **$ 66,782** | **$263,794** | **$ 67,419** | **$ 67,450** | **(2.9)%** | **(3.1)%** |
| **Interest Expense Reconciliation to Income Statement** | | | | | | | | | |
| Interest expense: financing lease obligations | $ 11,383 | $ 11,492 | $ 11,674 | $ 11,733 | $ 46,282 | $ 12,058 | $ 11,994 | (4.4)% | (5.1)% |
| Interest income | (421) | (341) | (286) | (301) | (1,349) | (95) | (778) | 128.2% | 14.6% |
| Interest expense: debt | 35,351 | 35,425 | 35,708 | 34,925 | 141,409 | 33,157 | 35,693 | (0.8)% | 2.7% |
| Interest expense, net | 46,313 | 46,576 | 47,096 | 46,357 | 186,342 | 45,120 | 46,909 | (0.7)% | 0.9% |
| Amortization of deferred financing costs | 1,915 | 1,907 | 1,884 | 1,591 | 7,297 | 1,542 | 1,520 | | |
| Change in fair value of derivatives | (42) | 233 | 95 | (134) | 152 | (3,403) | (973) | | |
| Interest income | 421 | 341 | 286 | 301 | 1,349 | 95 | 778 | | |
| **Interest expense per income statement** | **$ 48,607** | **$ 49,057** | **$ 49,361** | **$ 48,115** | **$195,140** | **$ 43,354** | **$ 48,234** | **1.7%** | **6.2%** |

(1) Includes cash lease payments for leases of corporate offices and information technology systems and equipment.

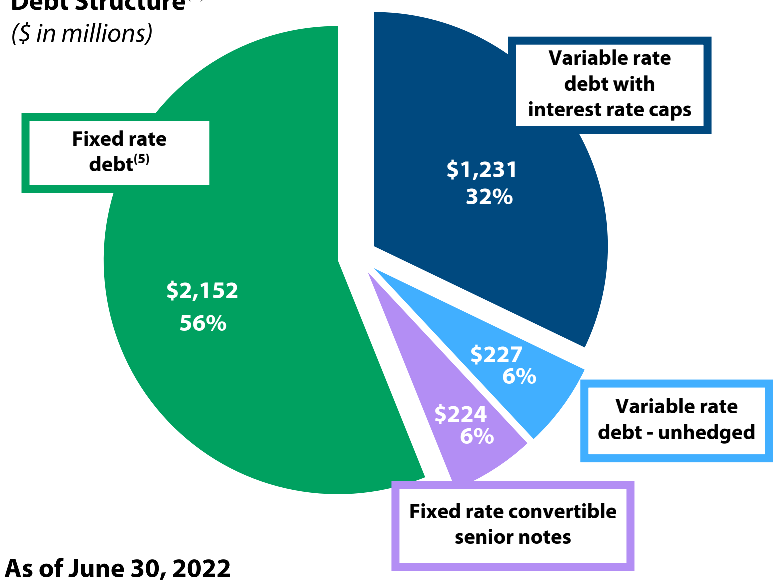
# Capital Structure

BROOKDALE SENIOR LIVING

**Total Liquidity**
*($ in millions)*




**Debt Structure**[2]
*($ in millions)*




**As of June 30, 2022**

| | Weighted Rate |
|---|---|
| Fixed rate debt [5] | 4.14 % |
| Variable rate debt | 4.04 % |
| Fixed rate convertible senior notes | 2.00 % |
| Total debt | 3.98 % |

| *($ in millions)* | Debt: Principal Payments[3] | Debt: Weighted Rate[4] |
|---|---|---|
| 2022 | $ 29 | 3.62 % |
| 2023 | 264 | 4.37 % |
| 2024 | 304 | 4.40 % |
| 2025 | 347 | 3.91 % |
| 2026 | 308 | 2.50 % |
| Thereafter | 2,609 | 4.07 % |
| **Total** | **$ 3,861** | **3.98 %** |

(1) The Company accepted approximately $60 million of Phase 4 grants from the Public Health and Social Services Emergency Fund ("PRF") on August 5, 2022.

(2) Includes the carrying amount of debt of which 93.8%, or $3.6 billion, represented non-recourse property-level mortgage financings.

(3) Amount includes maturities and recurring principal payments and excludes $27 million in deferred financing costs, net.

(4) Reflects rates as of June 30, 2022.

(5) Excludes convertible senior notes.

(6) Excludes operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR.

**Leverage Ratios**
*($ in 000s)*

| **Twelve Months Ended June 30, 2022** | | | **Annualized Leverage** |
|---|---|---|---|
| **Adjusted EBITDAR** | (A) | **$ 357,404** | |
| Cash facility operating lease payments *(see page 14)* | | (199,083) | |
| **Adjusted EBITDA** | | **158,321** | |
| Cash financing lease payments *(see page 14)* | | (68,780) | |
| **Adjusted EBITDA after cash financing lease payments** | (B) | **$ 89,541** | |
| **As of June 30, 2022** | | | |
| Debt | | $ 3,834,160 | |
| Cash and cash equivalents | | (238,757) | |
| Marketable securities | | (165,481) | |
| Restricted cash held as collateral against existing debt | | (15,717) | |
| **Net Debt** | (C) | **3,414,205** | **38.1 x** (C/B) |
| Operating and financing lease obligations *(see page 24)* [6] | | 1,294,639 | |
| **Adjusted Net Debt** | (D) | **$ 4,708,844** | **13.2 x** (D/A) |

**Important Note Regarding Non-GAAP Financial Measures.** Adjusted EBITDAR, Adjusted EBITDA, Adjusted EBITDA after cash financing lease payments, Net Debt, and Adjusted Net Debt are financial measures that are not calculated in accordance with GAAP. See "Definitions" and "Non-GAAP Financial Measures" for the definitions of such measures and other important information regarding such measures, including reconciliations to the most comparable GAAP measures.

# Definitions

**Adjusted EBITDA** is a non-GAAP performance measure that the Company defines as net income (loss) excluding: benefit/provision for income taxes, non-operating income/ expense items, and depreciation and amortization; and further adjusted to exclude income/expense associated with non-cash, non-operational, transactional, cost reduction, or organizational restructuring items that management does not consider as part of the Company's underlying core operating performance and that management believes impact the comparability of performance between periods. For the periods presented herein, such other items include non-cash impairment charges, gain/loss on facility operating lease termination, operating lease expense adjustment, non-cash stock-based compensation expense, and Transaction and Organizational Restructuring Costs.

**Adjusted EBITDAR** is a non-GAAP financial measure that the Company defines as Adjusted EBITDA before cash facility operating lease payments.

**Adjusted Free Cash Flow** is a non-GAAP liquidity measure that the Company defines as net cash provided by (used in) operating activities before: distributions from unconsolidated ventures from cumulative share of net earnings, changes in prepaid insurance premiums financed with notes payable, changes in operating lease assets and liabilities for lease termination, cash paid/received for gain/loss on facility operating lease termination, and lessor capital expenditure reimbursements under operating leases; plus: property insurance proceeds and proceeds from refundable entrance fees, net of refunds; less: Non-Development Capital Expenditures and payment of financing lease obligations.

**Adjusted Net Debt** is a non-GAAP financial measure that the Company defines as Net Debt, plus operating and financing lease obligations. Operating and financing lease obligations exclude operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR.

**Combined Segment Operating Income** is defined by the Company as resident fee and management fee revenue and other operating income of the Company, less facility operating expense. Combined Segment Operating Income does not include general and administrative expense or depreciation and amortization.

**Community Labor Expense** is a component of facility operating expense that includes regular and overtime salaries and wages, bonuses, paid-time-off and holiday wages, payroll taxes, contract labor, employee benefits, and workers compensation.

**Development Capital Expenditures** means capital expenditures for community expansions, major community redevelopment and repositioning projects, and the development of new communities. Amounts of Development Capital Expenditures are presented net of lessor reimbursements.

**Interest Coverage** is calculated based on the trailing-twelve months Owned Portfolio Operating Income adjusted for an implied 5% management fee and capital expenditures at $350/unit, divided by the trailing-twelve months property level and corporate debt interest expense.

**Lease Coverage** is calculated based on the trailing-twelve months Leased Portfolio Operating Income, excluding resident fee revenue, other operating income, and facility operating expense of communities disposed during such period adjusted for an implied 5% management fee and capital expenditures at $350/unit, divided by the trailing-twelve months cash facility lease payments for both operating leases and financing leases, excluding cash lease payments for leases of communities disposed during such period, corporate offices, information technology systems and equipment, vehicles, and other equipment.

**Leased Portfolio Operating Income** is defined by the Company as resident fee revenue and other operating income (excluding amounts from the former Health Care Services segment), less facility operating expense for the Company's Senior Housing Leased Portfolio. Leased Portfolio Operating Income does not include general and administrative expense or depreciation and amortization.

**Net Debt** is a non-GAAP financial measure that the Company defines as the total of its debt (mortgage debt and other notes payable) and the outstanding balance on the line of credit, less unrestricted cash, marketable securities, and cash held as collateral against existing debt.

**NM** means not meaningful.

**Non-Development Capital Expenditures** is comprised of corporate and community-level capital expenditures, including those related to maintenance, renovations, upgrades, and other major building infrastructure projects for the Company's communities. Non-Development Capital Expenditures does not include capital expenditures for community expansions, major community redevelopment and repositioning projects, and the development of new communities (i.e. Development Capital Expenditures). Amounts of Non-Development Capital Expenditures are presented net of lessor reimbursements.

**Owned Portfolio Operating Income** is defined by the Company as resident fee revenue and other operating income (excluding amounts from the former Health Care Services segment), less facility operating expense for the Company's Senior Housing Owned Portfolio. Owned Portfolio Operating Income does not include general and administrative expense or depreciation and amortization.

**RevPAR**, or average monthly senior housing resident fee revenue per available unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding revenue from the former Health Care Services segment, revenue for private duty services provided to seniors living outside of the Company's communities, and entrance fee amortization), divided by the weighted average number of available units in the corresponding portfolio for the period, divided by the number of months in the period.

# Definitions

**RevPOR**, or average monthly senior housing resident fee revenue per occupied unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding revenue from the former Health Care Services segment, revenue for private duty services provided to seniors living outside of the Company's communities, and entrance fee amortization), divided by the weighted average number of occupied units in the corresponding portfolio for the period, divided by the number of months in the period.

**Same Community** information reflects operating results and data of a consistent population of communities by excluding the impact of changes in the composition of the Company's portfolio of communities. The operating results exclude natural disaster expense and related insurance recoveries. The Company defines its same community portfolio as communities consolidated and operational for the full period in both comparison years. Consolidated communities excluded from the same community portfolio include communities acquired or disposed of since the beginning of the prior year, communities classified as assets held for sale, certain communities planned for disposition, certain communities that have undergone or are undergoing expansion, redevelopment, and repositioning projects, and certain communities that have experienced a casualty event that significantly impacts their operations.

**Same Community Operating Income** is defined by the Company as resident fee revenue and other operating income (excluding amounts from the former Health Care Services segment), less facility operating expense (excluding natural disaster expense and related insurance recoveries) for the Company's Same Community portfolio. Same Community Operating Income does not include general and administrative expense or depreciation and amortization.

**Segment Operating Income (Loss)** is defined by the Company as segment revenue and other operating income less segment facility operating expense. Segment Operating Income (Loss) does not include general and administrative expense or depreciation and amortization. All Other Segment Operating Income consists primarily of the previously reported Management Services segment and excludes revenue for reimbursements for which the Company is the primary obligor of costs incurred on behalf of managed communities, and there is no facility operating expense associated with the All Other category. See the Segment Information note to the Company’s consolidated financial statements for more information regarding the Company’s segments.

**Senior Housing Leased Portfolio** represents Brookdale leased communities and does not include owned or managed communities.

**Senior Housing Operating Income** is defined by the Company as segment revenue and other operating income less segment facility operating expense for the Company’s Independent Living, Assisted Living and Memory Care, and CCRCs segments on an aggregate basis. Senior Housing Operating Income does not include general and administrative expense or depreciation and amortization.

**Senior Housing Owned Portfolio** represents Brookdale owned communities and does not include leased or managed communities.

**Total Average Units** represents the average number of units operated during the period.

**Transaction and Organizational Restructuring Costs** are general and administrative expenses. Transaction costs include those directly related to acquisition, disposition, financing, and leasing activity, and are primarily comprised of legal, finance, consulting, professional fees, and other third-party costs. Organizational restructuring costs include those related to the Company’s efforts to reduce general and administrative expense and its senior leadership changes, including severance.

# Appendices



# Summary Financial Impact: COVID-19

BROOKDALE SENIOR LIVING

The COVID-19 pandemic has adversely impacted the Company's occupancy and resident fee revenue beginning in March 2020 and resulted in incremental direct costs to respond to the pandemic. In the aggregate, since the period beginning January 1, 2020, the Company has incurred $185.5 million (consisting of $175.1 million for the consolidated Senior Housing segments and $10.4 million for the former Health Care Services segment) of pandemic-related expenses, of which 43% related to employee-related costs, 35% related to personal protective equipment and medical supplies, and 22% related to cleaning and other costs.

The following table presents the known or estimated impacts related to the COVID-19 pandemic (incremental direct costs to respond to the COVID-19 pandemic, other operating income from government financial relief, and estimated lost revenue) for the Company's consolidated Senior Housing results. Presentations of these amounts are intended to aid investors in better understanding the factors and trends affecting the Company's performance and liquidity.

| | 2020 | 2021 | | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *($ in 000s)* | **Full Year** | **1Q** | **2Q** | **3Q** | **4Q** | **Full Year** | **1Q** | **2Q** | **YTD 2022** | **Cumulative** |
| **Independent Living** | | | | | | | | | | |
| Other operating income | $ 11,823 | $ 1,364 | $ 111 | $ 9 | $ 28 | $ 1,512 | $ 2 | $ 1,159 | $ 1,161 | $ 14,496 |
| Facility operating expense | $ 16,089 | $ 3,047 | $ 1,449 | $ 938 | $ 430 | $ 5,864 | $ 1,335 | $ 274 | $ 1,609 | $ 23,562 |
| **Assisted Living and Memory Care** | | | | | | | | | | |
| Other operating income | $ 62,585 | $ 5,104 | $ 629 | $ 75 | $ 155 | $ 5,963 | $ 356 | $ 6,412 | $ 6,768 | $ 75,316 |
| Facility operating expense | $ 82,483 | $ 18,902 | $ 6,058 | $ 4,798 | $ 2,494 | $ 32,252 | $ 7,588 | $ 1,313 | $ 8,901 | $ 123,636 |
| **CCRCs** | | | | | | | | | | |
| Other operating income | $ 18,454 | $ 1,684 | $ 46 | $ 5 | $ 53 | $ 1,788 | $ 18 | $ 840 | $ 858 | $ 21,100 |
| Facility operating expense | $ 18,750 | $ 3,985 | $ 1,442 | $ 1,498 | $ 467 | $ 7,392 | $ 1,440 | $ 364 | $ 1,804 | $ 27,946 |
| **Senior Housing Total** | | | | | | | | | | |
| Estimated lost revenue [(1)] | $ 228,500 | $ 94,200 | $ 81,800 | $ 76,400 | $ 75,600 | $ 328,000 | $ 97,000 | $ 95,000 | $ 192,000 | $ 748,500 |
| Other operating income | $ 92,862 | $ 8,152 | $ 786 | $ 89 | $ 236 | $ 9,263 | $ 376 | $ 8,411 | $ 8,787 | $ 110,912 |
| Facility operating expense | $ 117,322 | $ 25,934 | $ 8,949 | $ 7,234 | $ 3,391 | $ 45,508 | $ 10,363 | $ 1,951 | $ 12,314 | $ 175,144 |

The following table sets forth the Company's recent consolidated occupancy trend.

| **Consolidated Occupancy Trend** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2021** | **January** | **February** | **March** | **April** | **May** | **June** | **July** | **August** | **September** | **October** | **November** | **December** |
| Weighted average | 70.0% | 69.4% | 69.4% | 69.9% | 70.5% | 71.2% | 72.0% | 72.5% | 73.0% | 73.3% | 73.5% | 73.6% |
| Month end | 70.4% | 70.1% | 70.6% | 71.1% | 71.6% | 72.6% | 73.3% | 73.7% | 74.2% | 74.5% | 74.3% | 74.5% |
| **2022** | **January** | **February** | **March** | **April** | **May** | **June** | **July** | | | | | |
| Weighted average | 73.4% | 73.3% | 73.6% | 73.9% | 74.6% | 75.2% | 75.9% | | | | | |
| Month end | 74.2% | 74.4% | 75.0% | 75.3% | 76.2% | 76.6% | 77.1% | | | | | |

(1) Estimated lost revenue for the 2022 periods represents the difference between the actual resident fee revenue for the period and the estimated resident fee revenue for the period based upon the Company's pre-pandemic expectations for 2022. The estimated lost revenue for the 2020 and 2021 periods represents the difference between the actual resident fee revenue for the period and the Company's pre-pandemic expectations for the 2020 period.

# Summary Financial Impact: COVID-19



The following table presents the incremental direct costs to respond to the COVID-19 pandemic and other operating income from government financial relief for the Company's same community results.

| *($ in 000s)* | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | YTD 2022 |
|---|---|---|---|---|---|---|---|---|
| **Independent Living** | | | | | | | | |
| Other operating income | $ 1,345 | $ 111 | $ 8 | $ 28 | $ 1,492 | $ 2 | $ 1,146 | $ 1,148 |
| Facility operating expense | $ 2,983 | $ 1,364 | $ 908 | $ 431 | $ 5,686 | $ 1,310 | $ 318 | $ 1,628 |
| **Assisted Living and Memory Care** | | | | | | | | |
| Other operating income | $ 4,918 | $ 609 | $ 76 | $ 155 | $ 5,758 | $ 356 | $ 6,291 | $ 6,647 |
| Facility operating expense | $ 18,126 | $ 5,861 | $ 4,740 | $ 2,406 | $ 31,133 | $ 7,496 | $ 1,324 | $ 8,820 |
| **CCRCs** | | | | | | | | |
| Other operating income | $ 1,080 | $ 43 | $ 4 | $ 53 | $ 1,180 | $ — | $ 578 | $ 578 |
| Facility operating expense | $ 3,193 | $ 1,036 | $ 842 | $ 321 | $ 5,392 | $ 1,154 | $ 290 | $ 1,444 |
| **Total Same Community** | | | | | | | | |
| Other operating income | $ 7,343 | $ 763 | $ 88 | $ 236 | $ 8,430 | $ 358 | $ 8,015 | $ 8,373 |
| Facility operating expense | $ 24,302 | $ 8,261 | $ 6,490 | $ 3,158 | $ 42,211 | $ 9,960 | $ 1,932 | $ 11,892 |

**Government Relief (including consolidated Senior Housing segments and the former Health Care Services segment)**

Certain cash flow impacts from the CARES Act and government grants and credits are shown below:

| *($ in 000s)* | 2020 Full Year | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q | YTD 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Cash received (recouped) - Medicare advances [1] | $ 87,542 | $ — | $ (14,258) | $ (3,527) | $ (3,057) | $ (20,842) | $ (1,848) | $ (1,240) | $ (3,088) |
| Deferred payroll taxes [2] | 72,674 | — | — | — | (31,553) | (31,553) | — | — | — |
| Cash received - government grants | 115,748 | 1,700 | 405 | 89 | 251 | 2,445 | 376 | 4,574 | 4,950 |
| Cash received - employee retention credit [3] | — | — | — | 1,055 | 350 | 1,405 | 406 | 19 | 425 |
| **Operating cash flow impacts [4]** | **275,964** | **1,700** | **(13,853)** | **(2,383)** | **(34,009)** | **(48,545)** | **(1,066)** | **3,353** | **2,287** |
| Less: Other operating income | (115,749) | (10,735) | (1,308) | (89) | (236) | (12,368) | (376) | (8,411) | (8,787) |
| **Changes in working capital** | **$ 160,215** | **$ (9,035)** | **$ (15,161)** | **$ (2,472)** | **$ (34,245)** | **$ (60,913)** | **$ (1,442)** | **$ (5,058)** | **$ (6,500)** |

| | |
|---|---|
| Liabilities retained by the Company as of June 30, 2022, due December 2022 | $ 31,553 |

(1) During the full year 2020, the Company received $87.5 million under the Medicare Accelerated and Advance Payment Program, of which obligations for $9.6 million were retained by the Company following the HCS Sale. The amount began to be recouped in the full year 2021 and the remaining amount was fully recouped in the six months ended June 30, 2022.

(2) During the full year 2020, the Company deferred $72.7 million of the employer portion of social security taxes, of which obligations for $63.1 million were retained by the Company following the HCS Sale. One half was repaid during the full year 2021 and the $31.6 million remaining obligation is due December 31, 2022.

(3) During the full year 2021, the Company recognized $9.9 million of employee retention credits on wages paid from March 12, 2020 to December 31, 2020 within other operating income. During the three months ended June 30, 2022, the Company recognized $4.7 million of employee retention credits on wages paid in 2021 within other operating income. As of June 30, 2022, the Company has received $1.8 million increasing the Company's net cash provided by (used in) operating activities and has $10.1 million of receivables related to employee retention credits.

(4) Impacts included in Adjusted Free Cash Flow.

# Non-GAAP Financial Measures

This Supplemental Information contains the financial measures Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDA after cash financing lease payments, Adjusted Free Cash Flow, Net Debt, and Adjusted Net Debt (each as defined in the "Definitions" section), which are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Presentations of these non-GAAP financial measures are intended to aid investors in better understanding the factors and trends affecting the Company's performance and liquidity. However, investors should not consider these non-GAAP financial measures as a substitute for financial measures determined in accordance with GAAP, including net income (loss), income (loss) from operations, net cash provided by (used in) operating activities, short-term debt, long-term debt less current portion, or current portion of long-term debt. Investors are cautioned that amounts presented in accordance with the Company's definitions of these non-GAAP financial measures may not be comparable to similar measures disclosed by other companies because not all companies calculate non-GAAP measures in the same manner. Investors are urged to review the reconciliations set forth in this Appendix of these non-GAAP financial measures from the most comparable financial measures determined in accordance with GAAP and to review the information under "Reconciliations of Non-GAAP Financial Measures" in the Company's earnings release dated August 8, 2022 for additional information regarding the Company's use and the limitations of such non-GAAP financial measures.

# Non-GAAP Financial Measures (continued)

BROOKDALE SENIOR LIVING

**Adjusted EBITDA Reconciliation**

| ($ in 000s) | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q |
|---|---|---|---|---|---|---|---|
| **Net income (loss)** | **$ (108,303)** | **$ (83,604)** | **$ 174,263** | **$ (81,720)** | **$ (99,364)** | **$ (100,032)** | **(84,283)** |
| Provision (benefit) for income taxes | 752 | (792) | 15,279 | (23,402) | (8,163) | (1,976) | 1,190 |
| Equity in (earnings) loss of unconsolidated ventures | 531 | (13,946) | 1,474 | 1,547 | (10,394) | 4,894 | 2,439 |
| Loss (gain) on debt modification and extinguishment, net | — | — | — | 1,932 | 1,932 | — | — |
| Loss (gain) on sale of assets, net | (1,112) | 79 | (288,375) | 573 | (288,835) | 294 | (961) |
| Other non-operating (income) loss | (1,644) | (2,948) | (571) | (740) | (5,903) | 27 | 111 |
| Interest expense | 48,607 | 49,057 | 49,361 | 48,115 | 195,140 | 43,354 | 48,234 |
| Interest income | (421) | (341) | (286) | (301) | (1,349) | (95) | (778) |
| Income (loss) from operations | (61,590) | (52,495) | (48,855) | (53,996) | (216,936) | (53,534) | (34,048) |
| Depreciation and amortization | 83,891 | 83,591 | 84,560 | 85,571 | 337,613 | 85,684 | 86,623 |
| Asset impairment | 10,677 | 2,078 | 639 | 9,609 | 23,003 | 9,075 | 2,599 |
| Loss (gain) on facility operating lease termination, net | — | — | — | (2,003) | (2,003) | — | — |
| Operating lease expense adjustment | (4,664) | (5,326) | (6,273) | (7,017) | (23,280) | (8,307) | (8,308) |
| Non-cash stock-based compensation expense | 4,783 | 4,527 | 3,568 | 3,392 | 16,270 | 3,885 | 3,619 |
| Transaction and Organizational Restructuring Costs | 1,884 | 689 | 943 | 293 | 3,809 | 373 | 229 |
| **Adjusted EBITDA [(1)]** | **$ 34,981** | **$ 33,064** | **$ 34,582** | **$ 35,849** | **$ 138,476** | **$ 37,176** | **$ 50,714** |
| | | | | | | | |
| Other operating income | $ 10,735 | $ 1,308 | $ 89 | $ 236 | $ 12,368 | $ 376 | $ 8,411 |

(1) Adjusted EBITDA includes government grants and credits recognized in other operating income.

# Non-GAAP Financial Measures (continued)

BROOKDALE SENIOR LIVING

**Adjusted EBITDAR; Adjusted EBITDA; and Adjusted EBITDA after Cash Financing Lease Payments Reconciliations**

| *($ in 000s)* | | Twelve Months Ended June 30, 2022 |
|---|---|---|
| **Net income (loss)** | **$** | **(91,772)** |
| Provision (benefit) for income taxes | | (8,909) |
| Equity in (earnings) loss of unconsolidated ventures | | 10,354 |
| Loss (gain) on debt modification and extinguishment, net | | 1,932 |
| Loss (gain) on sale of assets, net | | (288,469) |
| Other non-operating (income) loss | | (1,173) |
| Interest expense | | 189,064 |
| Interest income | | (1,460) |
| Income (loss) from operations | | (190,433) |
| Depreciation and amortization | | 342,438 |
| Asset impairment | | 21,922 |
| Loss (gain) on facility operating lease termination, net | | (2,003) |
| Facility operating lease expense | | 169,178 |
| Non-cash stock-based compensation expense | | 14,464 |
| Transaction and Organizational Restructuring Costs | | 1,838 |
| **Adjusted EBITDAR** | **$** | **357,404** |
| Facility operating lease expense | | (169,178) |
| Operating lease expense adjustment | | (29,905) |
| **Adjusted EBITDA** | **$** | **158,321** |
| | | |
| Interest expense: financing lease obligations | | (47,459) |
| Payment of financing lease obligations | | (21,321) |
| **Adjusted EBITDA after cash financing lease payments** | **$** | **89,541** |

# Non-GAAP Financial Measures (continued)

## Net Debt and Adjusted Net Debt Reconciliations

| *($ in 000s)* | | As of June 30, 2022 |
|---|---|---|
| Long-term debt (including current portion) | $ | 3,834,160 |
| Cash and cash equivalents | | (238,757) |
| Marketable securities | | (165,481) |
| Cash held as collateral against existing debt | | (15,717) |
| **Net Debt** | | **3,414,205** |
| Operating and financing lease obligations | | 1,324,087 |
| Operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR | | (29,448) |
| **Adjusted Net Debt** | **$** | **4,708,844** |
| | | |
| Operating and financing lease obligations | $ | 1,324,087 |
| Operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR | | (29,448) |
| **Adjusted operating and financing lease obligations** | | **1,294,639** |
| Operating and financing lease obligations related to corporate office and information technology leases | | (13,702) |
| **Operating and financing lease obligations for Senior Housing Leased Portfolio** | **$** | **1,280,937** |

# Non-GAAP Financial Measures (continued)

BROOKDALE SENIOR LIVING

**Adjusted Free Cash Flow Reconciliation**

| | 2021 | | | | | 2022 | |
|---|---|---|---|---|---|---|---|
| *($ in 000s)* | 1Q | 2Q | 3Q | 4Q | Full Year | 1Q | 2Q |
| **Net cash provided by (used in) operating activities** | **$(23,857)** | **$ 3,410** | **$ 7,200** | **$(81,387)** | **$ (94,634)** | **$(23,255)** | **$ 11,577** |
| Net cash provided by (used in) investing activities | (3,806) | 1,561 | 203,974 | (20,272) | 181,457 | (36,163) | (43,838) |
| Net cash provided by (used in) financing activities | (35,562) | (20,992) | (19,177) | (37,926) | (113,657) | (403) | (17,690) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | $ (63,225) | $ (16,021) | $ 191,997 | $(139,585) | $ (26,834) | $ (59,821) | $ (49,951) |
| | | | | | | | |
| **Net cash provided by (used in) operating activities** | **$(23,857)** | **$ 3,410** | **$ 7,200** | **$(81,387)** | **$ (94,634)** | **$(23,255)** | **$ 11,577** |
| Distributions from unconsolidated ventures from cumulative share of net earnings | — | (5,355) | (836) | — | (6,191) | (561) | — |
| Changes in prepaid insurance premiums financed with notes payable | 12,985 | (4,200) | (4,151) | (4,634) | — | 16,629 | (5,377) |
| Changes in operating lease assets and liabilities for lease termination | — | — | — | 2,380 | 2,380 | — | — |
| Changes in operating lease assets and liabilities for lessor capital expenditure reimbursements | (7,563) | (7,943) | (11,551) | (3,908) | (30,965) | (1,490) | (3,367) |
| Non-development capital expenditures, net | (27,450) | (35,795) | (28,193) | (45,972) | (137,410) | (39,326) | (45,686) |
| Payment of financing lease obligations | (4,789) | (4,864) | (5,039) | (5,182) | (19,874) | (5,490) | (5,610) |
| **Adjusted Free Cash Flow [1]** | **$(50,674)** | **$(54,747)** | **$(42,570)** | **$(138,703)** | **$(286,694)** | **$(53,493)** | **$(48,463)** |

[1] Adjusted Free Cash Flow includes:

| | 2021 1Q | 2021 2Q | 2021 3Q | 2021 4Q | 2021 Full Year | 2022 1Q | 2022 2Q |
|---|---|---|---|---|---|---|---|
| Cash received - government grants and credits | $ 1,700 | $ 405 | $ 1,144 | $ 601 | $ 3,850 | $ 782 | $ 4,593 |
| Cash payments - deferred payroll taxes | $ — | $ — | $ — | $ (31,553) | $ (31,553) | $ — | $ — |
| Cash recouped - Medicare advances | $ — | $ (14,258) | $ (3,527) | $ (3,057) | $ (20,842) | $ (1,848) | $ (1,240) |

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