



# Forward-Looking Statements – Safe Harbor

Certain statements in this Investor Presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding the Company's intent, belief or expectations. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "believe," "project," "predict," "continue," "plan," "target," or other similar words or expressions, and include statements regarding the Company's expected financial and operational results. These forward-looking statements are based on certain assumptions and expectations, and the Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although the Company believes that expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its assumptions or expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a material adverse effect on the Company's operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, events which adversely affect the ability of seniors to afford resident fees, including downturns in the economy, housing market, consumer confidence, or the equity markets and unemployment among resident family members; changes in reimbursement rates, methods, or timing under governmental reimbursement programs including the Medicare and Medicaid programs; the effects of senior housing construction and development, lower industry occupancy, and increased competition; conditions of housing markets, regulatory changes, acts of nature, and the effects of climate change in geographic areas where the Company is concentrated; terminations of the Company's resident agreements and vacancies in the living spaces it leases; failure to maintain the security and functionality of the Company's information systems, to prevent a cybersecurity attack or breach, or to comply with applicable privacy and consumer protection laws, including HIPAA; the Company's ability to complete its capital expenditures in accordance with its plans; the Company's ability to identify and pursue development, investment, and acquisition opportunities and its ability to successfully integrate acquisitions; competition for the acquisition of assets; the Company's ability to complete pending or expected disposition, acquisition, or other transactions on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals are not obtained or are subject to unanticipated conditions, and uncertainties as to the timing of closing, and the Company's ability to identify and pursue any such opportunities in the future; risks related to the implementation of the Company's strategy, including initiatives undertaken to execute on the Company's strategic priorities and their effect on its results; the impacts of the COVID-19 pandemic, including on the nation's economy and debt and equity markets and the local economies in our markets, and on us and our business, results of operations, cash flow, revenue, expenses, liquidity, and our strategic initiatives, including plans for future growth, which will depend on many factors, some of which cannot be foreseen, including the pace and consistency of recovery from the pandemic and any resurgence or variants of the disease; limits on the Company's ability to use net operating loss carryovers to reduce future tax payments; delays in obtaining regulatory approvals; disruptions in the financial markets or decreases in the appraised values or performance of the Company's communities that affect the Company's ability to obtain financing or extend or refinance debt as it matures and the Company's financing costs; the Company's ability to generate sufficient cash flow to cover required interest, principal, and long-term lease payments and to fund its planned capital projects; the effect of any non-compliance with any of the Company's debt or lease agreements (including the financial or other covenants contained therein), including the risk of lenders or lessors declaring a cross default in the event of the Company's non-compliance with any such agreements and the risk of loss of the Company's property securing leases and indebtedness due to any resulting lease terminations and foreclosure actions; the inability to renew, restructure, or extend leases, or exercise purchase options at or prior to the end of any existing lease term; the effect of the Company's indebtedness and long-term leases on the Company's liquidity and its ability to operate its business; increases in market interest rates that increase the costs of the Company's debt obligations; the Company's ability to obtain additional capital on terms acceptable to it; departures of key officers and potential disruption caused by changes in management; increased competition for, or a shortage of, associates (including due to general labor market conditions), wage pressures resulting from increased competition, low unemployment levels, minimum wage increases and changes in overtime laws, and union activity; environmental contamination at any of the Company's communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against the Company, including putative class action complaints and the frequency and magnitude of legal actions and liability claims that may arise due to COVID-19 or our response efforts; negative publicity with respect to any lawsuits, claims, or other legal or regulatory proceedings; costs to respond to, and adverse determinations resulting from, government inquiries, reviews, audits and investigations; the cost and difficulty of complying with increasing and evolving regulation, including new disclosure obligations; changes in, or its failure to comply with, employment-related laws and regulations; the risks associated with current global economic conditions and general economic factors on us or our business partners such as inflation, the consumer price index, commodity costs, fuel and other energy costs, competition in the labor market, costs of salaries, wages, benefits, and insurance, interest rates, tax rates, geopolitical tensions or conflicts, and uncertainty surrounding federal elections; the impact of seasonal contagious illness or an outbreak of COVID-19 or other contagious disease in the markets in which the Company operates; actions of activist stockholders, including a proxy contest; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including those set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect management's views as of the date of this Investor Presentation. The Company cannot guarantee future results, levels of activity, performance or achievements, and, except as required by law, it expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained in this Investor Presentation to reflect any change in the Company's expectations with regard thereto or change in events, conditions, or circumstances on which any statement is based.



# About Brookdale



**BROOKDALE**  
— SENIOR LIVING —

# Leading senior living operator in the United States

*Brookdale is the nation's premier operator of senior living communities, with a presence in 41 states and the ability to serve approximately 59,000 residents. We offer a broad continuum of services across various sectors of the senior living industry, including independent living, assisted living, memory care, and continuing care retirement communities. Our goal is to provide seniors with a comfortable and homelike environment while offering expert care, wellness programs and opportunities to pursue their passions. With our expertise in healthcare, hospitality and real estate, we enable residents to age in place, helping to ensure continuity of care and peace of mind for their families.*



## OUR MISSION

*Enriching the Lives* of those we serve with compassion, respect, excellence and integrity



## OUR VISION

To be the nation's *First Choice* in senior living

**#1**

largest provider of senior living in the U.S.<sup>(1)</sup>

**652**

geographically diverse, high-quality, purpose-driven communities

**94%**

of senior living resident fees are private pay<sup>(2)</sup>

nearly **2x**

more U.S. communities than next largest operator<sup>(3)</sup>

**59K**

ability to serve ~59,000 residents

**36K**

caring and dedicated associates

# Tailored product lines support a diverse range of needs



## Independent Living

Our independent living communities are ideal for seniors who desire to live in a residential setting that feels like home, without the burden of ownership. Through experiential dining, community amenities and diverse programs to support social connections, IL communities provide seniors an antidote to loneliness.



## Memory Care

Our memory care program is rooted in a person-centered approach that preserves identity and sense of self. Our secure communities provide a daily path of engagement that allows residents to flourish, even with advanced expressions of dementia.



## Assisted Living

Our assisted living communities provide a redefined independence through 24-hour assistance and services like medical care coordination, education and wellness programs, experiential dining, as well as social and recreational activities which support resident wellness, socialization and engagement.



## Skilled Nursing

Our rehabilitation and skilled nursing offerings are here to help residents throughout their journey to recovery. Whether residents need a long-term stay or short-term rehabilitation, these facilities provide around-the-clock licensed nursing care in a supportive environment.

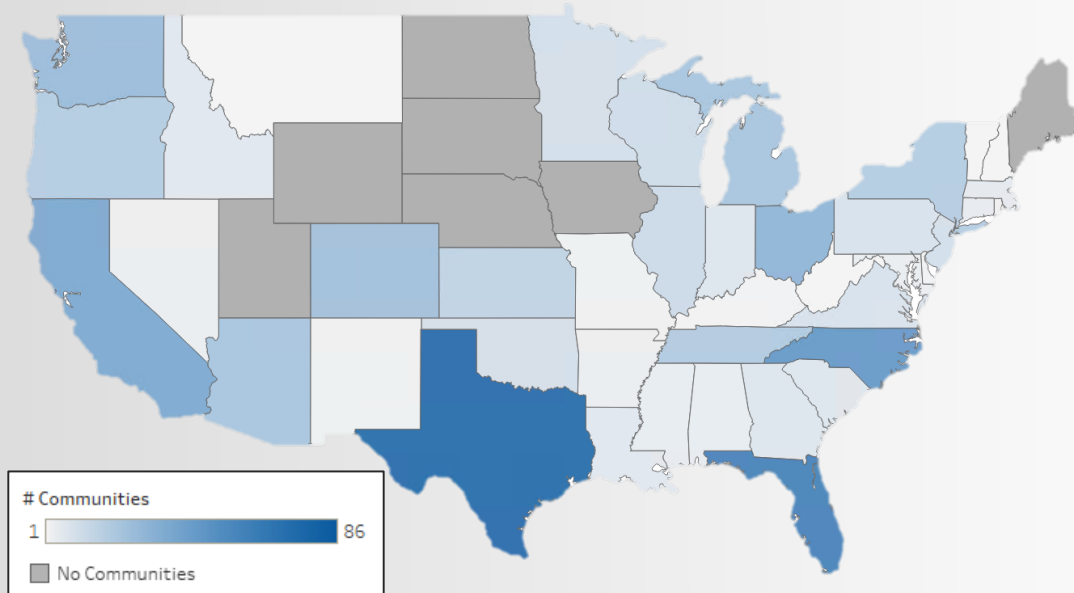


## Continuing Care Retirement Communities (CCRC)

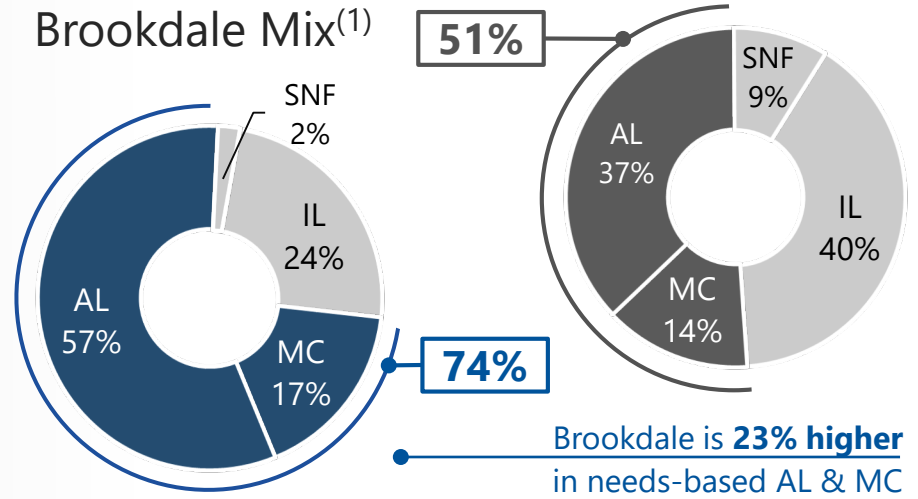
Our CCRCs offer a variety of living arrangements and services to accommodate a broad spectrum of physical ability and healthcare needs. Residents are generally seeking a broad continuum of care in supportive residential settings, meaning they can transition from independent living to receive assisted living, skilled nursing, or memory care services as the need arises.

# Unique and varied community types

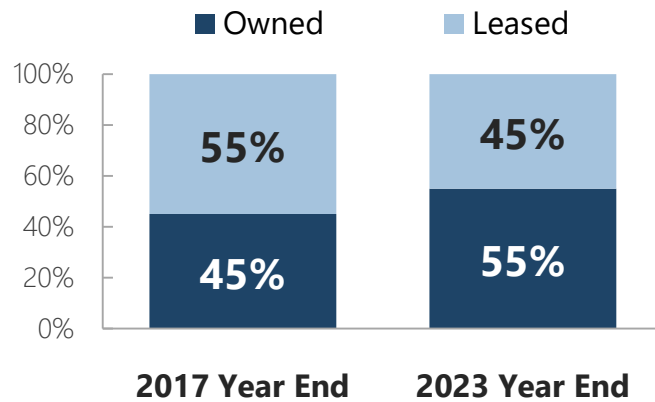
## Expansive Footprint across 41 States



## Industry Mix<sup>(2)</sup>

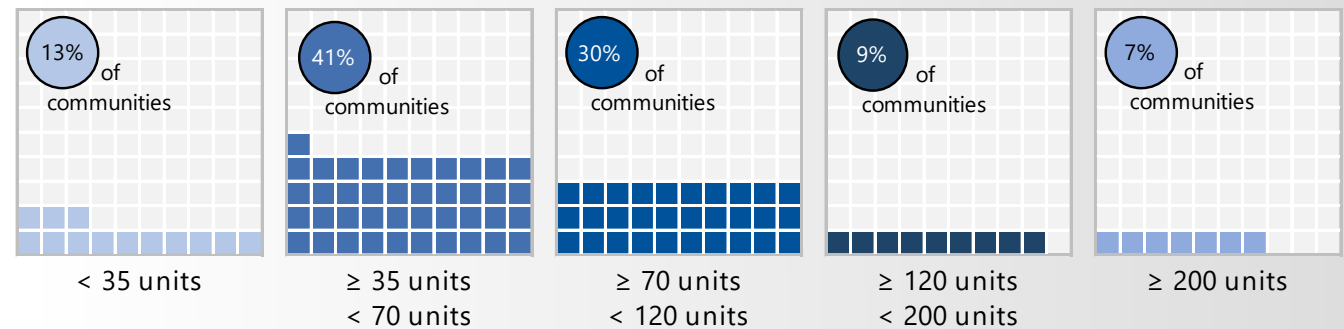


Brookdale has successfully grown its percentage of **owned communities**



Consolidated Portfolio

## Broad Range of Community Sizes



# Strategic priorities provide a road map to continued growth



## Health and Wellbeing of Residents and Associates

### Get every available unit in service at the best profitable rate

- Increase number of seniors we serve through targeted efforts to further grow occupancy
- Ensure appropriate and dynamic pricing actions which consider inflationary pressures and competitive labor markets
- Improve labor productivity and minimize premium labor cost, while ensuring that we continue to meet residents' needs, provide high-quality care and personalized service and remain in compliance with applicable regulations

### Attract, engage, develop and retain the best associates

- Staff communities with engaged full- and part-time Brookdale associates and leaders who are united around our mission to serve our residents
- Introduce new programs and tools that further support current and future associates and extend length of employment with Brookdale
- Strengthen associate engagement for an enhanced resident experience

### Earn resident and family trust and satisfaction by providing valued, high-quality care and personalized service

- Build relationships that create passionate advocates and generate referrals
- Leverage insights from ongoing surveys and feedback to further enhance resident and family satisfaction
- Continue successful expansion of Brookdale HealthPlus® to additional communities supporting positive resident health outcomes



# Recent Growth and Expectations



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— SENIOR LIVING —

# Demonstrated remarkable success throughout 2023



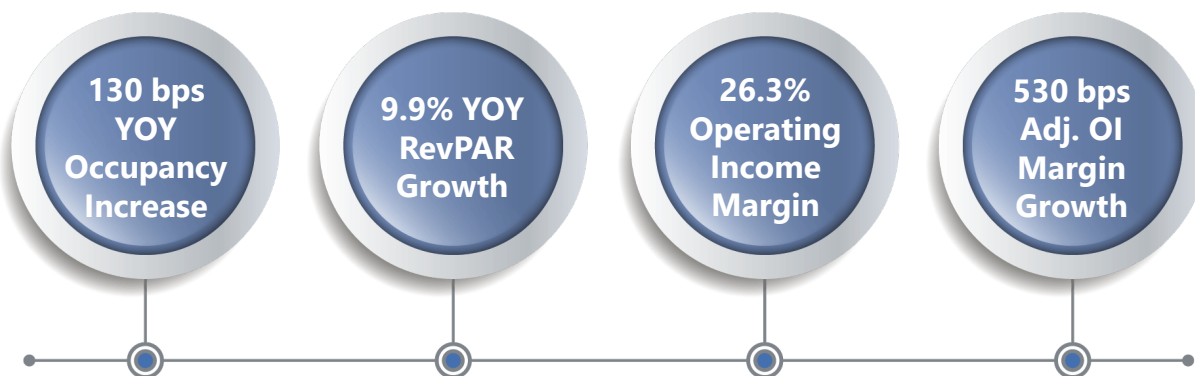
## 2023 Performance

### Business Highlights and Recent Performance

#### In 4Q 2023, Brookdale delivered:

- RevPAR at top end of guidance range
- Adjusted EBITDA outperformance for fourth consecutive quarter
- Fourth consecutive quarter of 35%+ Same Community Adjusted Operating Income YOY growth
- \$80M+ YOY improvement in Adjusted Free Cash Flow
- Continued improvement in key-three leadership retention and associate turnover
- Completed agency financing transaction which successfully extended debt maturities until 2025 or later

#### Same Community 4Q 2023 Results

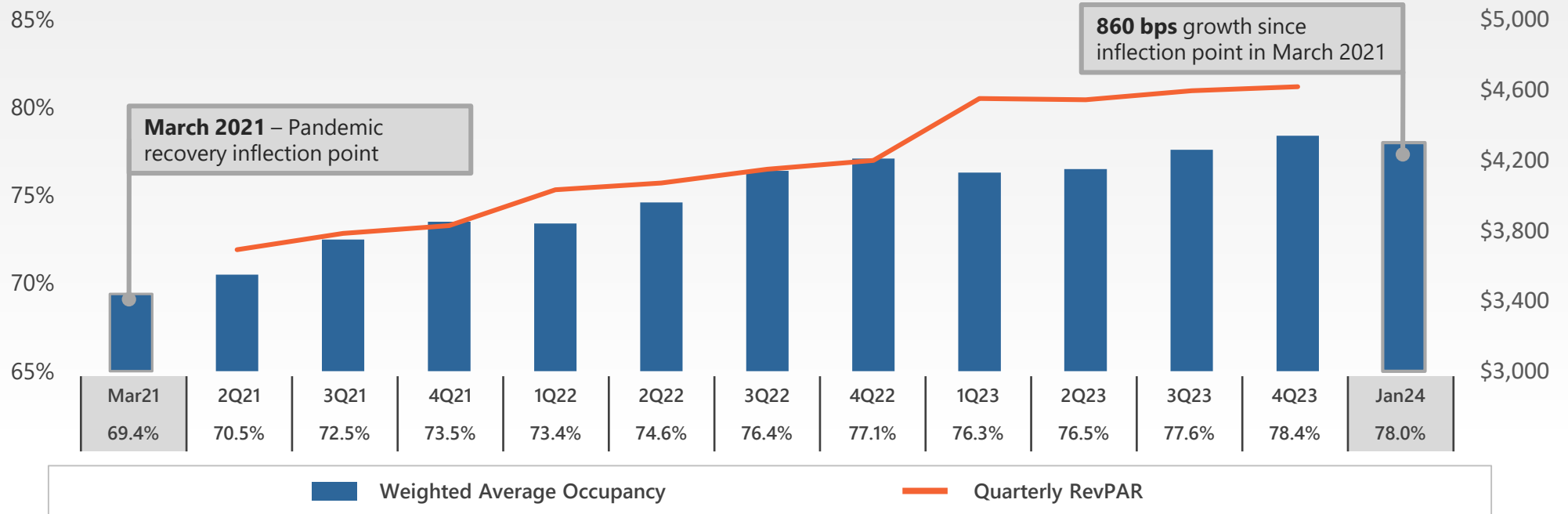


- ~39% Adjusted EBITDA growth despite +\$70M higher grant income in prior year and \$41M impact of changes in lease classification
- ~76% Improvement in Adjusted Free Cash Flow
- 190 bps Same Community Occupancy growth
- 11.4% Same Community RevPAR growth
- ~43% Same Community Adjusted Operating Income growth
- Proactive management of owned and leased portfolios, as well as liquidity and capital structure

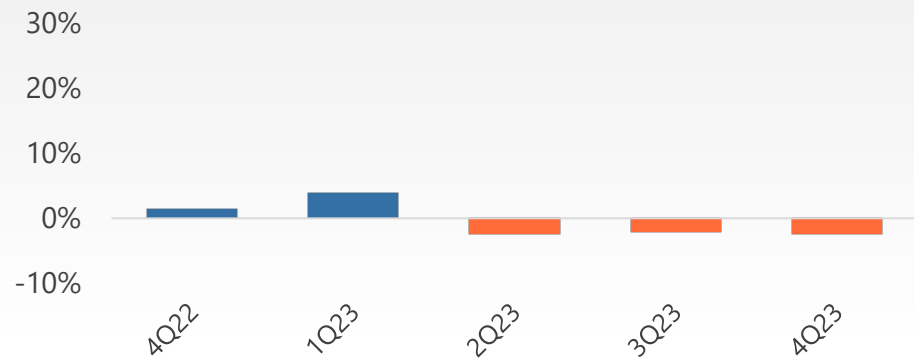
Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDA and Adjusted Free Cash Flow are financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (GAAP). See the definition of, and important information regarding, such measures, including reconciliation to the most comparable GAAP financial measure, in the Appendix hereto.

# Intense focus on growing RevPAR through Occupancy and Rate

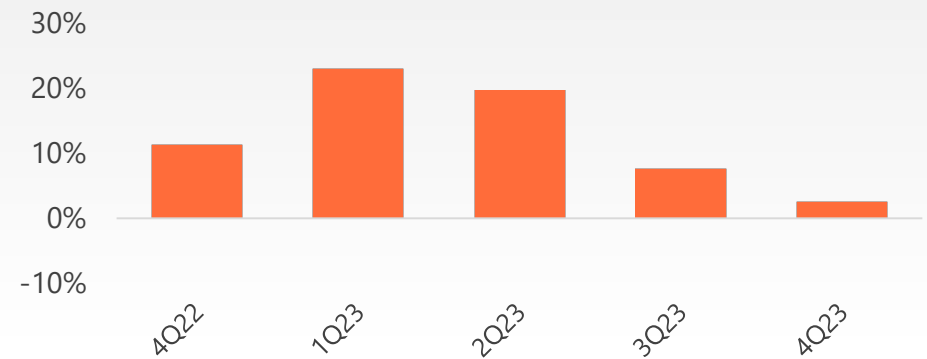
## Consolidated RevPAR & Weighted Average Occupancy<sup>(1)</sup>



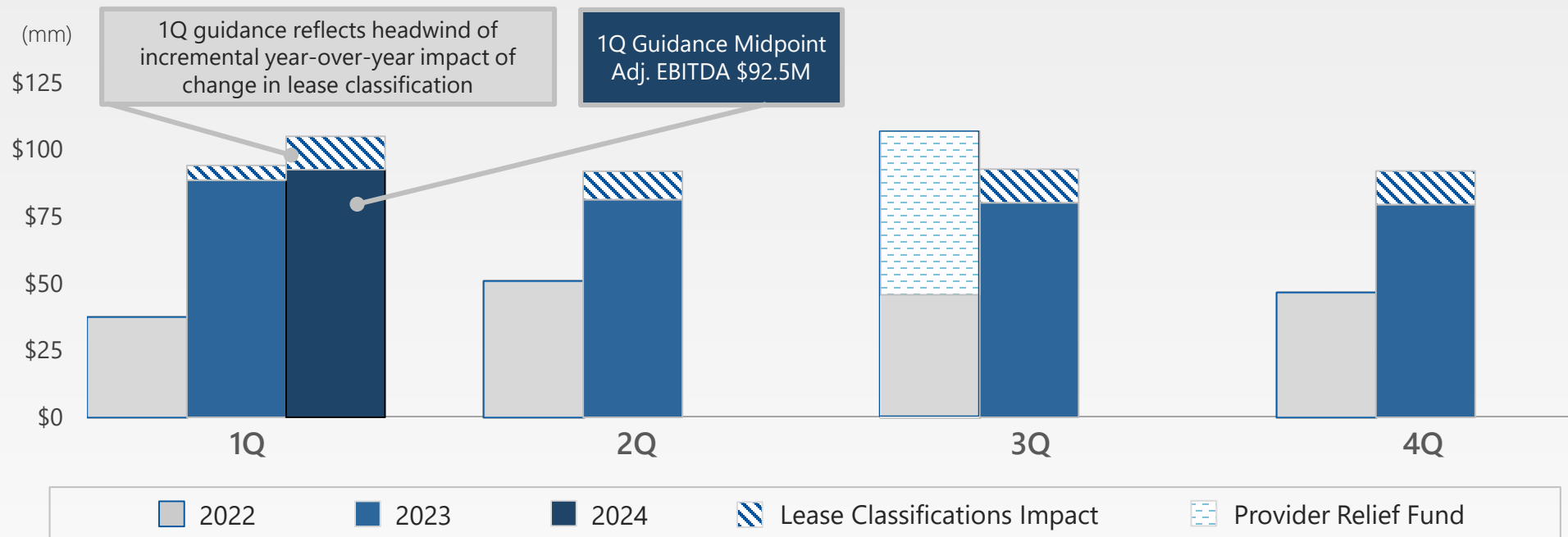
## Year-Over-Year Move-Ins<sup>(2)</sup>



## Year-Over-Year Controllable Move-Outs<sup>(3)</sup>



# Adjusted EBITDA growth provides positive momentum entering 2024



	1Q			2Q			3Q			4Q		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Adjusted EBITDA (Actual/Guidance Midpoint)	37	89	93	51	81	TBA	107	80	TBA	47	85	TBA
Unfavorable lease classifications impact to Adjusted EBITDA (no impact to Adjusted Free Cash Flow)	-	5	13	-	10	13	-	13	13	-	13	13
Favorable Provider Relief Fund impact to Adjusted EBITDA	-	-	-	-	-	-	61	-	-	-	-	-

Execution of recovery strategy is delivering profitable and sustainable growth, even considering continued YOY impact of changes in lease classification

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDA is a financial measure that is not calculated in accordance with U.S. generally accepted accounting principles (GAAP). See the definition of, and important information regarding, such measure, including reconciliation to the most comparable GAAP financial measure, in the Appendix hereto.

# Anticipated growth in the first quarter of 2024

1Q 2024

RevPAR YOY Growth

6.25% to 6.75%

Adjusted EBITDA

\$90 million to \$95 million

*Reconciliation of the non-GAAP financial measure included in the foregoing guidance to the most comparable GAAP financial measure is not available without unreasonable effort due to the inherent difficulty in forecasting the timing or amounts of items required to reconcile Adjusted EBITDA from the Company's net income (loss). Variability in the timing or amounts of items required to reconcile the measure may have a significant impact on the Company's future GAAP results.*

## First Quarter Guidance Considerations

Weighted average occupancy expected to reflect normal (pre-pandemic) seasonality in sequential trend from fourth quarter to first quarter

January 1<sup>st</sup> average in-place resident rate increase lower than prior year rate increase, but above historic (pre-pandemic) average

RevPAR growth expected from year-over-year increases in weighted average occupancy and RevPOR

Additional first quarter day (February 29<sup>th</sup>) results in higher expense with nominal incremental revenue

Ongoing commitment to appropriate expense management, while ensuring we continue to meet our residents' needs, provide high-quality care and personalized service and remain in compliance with applicable regulations

Previously announced mid-2023 change in lease classification results in unfavorable first quarter Adjusted EBITDA impact of \$7.4 million compared to prior year first quarter, with no impact to Adjusted Free Cash Flow

No grant income anticipated

Estimated expense impact from January winter storms of approximately \$2 million

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDA is a financial measure that is not calculated in accordance with U.S. generally accepted accounting principles (GAAP). See the definition of, and important information regarding, such measure, including reconciliation to the most comparable GAAP financial measure, in the Appendix hereto.

# Proactive management of capital structure

**\$0**

debt maturities in 2024

**59%**

of debt is  
fixed rate debt

**92%**

of debt is non-recourse  
property-level mortgage  
financings

**93%**

of variable rate debt is  
subject to interest rate  
cap/swap agreements

(mm)

	<i>Fixed Rate Maturities</i>	<i>Variable Rate Maturities</i>	<i>Recurring Principal Payments</i>	<i>Total</i>	<i>Weighted Rate</i>	
<b>2024</b>	-	-	49	<b>49</b>	6.46%	<i>Maturity runway cleared through 2024</i>
<b>2025</b>	50	464	59	<b>573</b>	7.30%	<i>Consists of two bank loans (each of which have two 1-year extension options) and one agency debt with Sept. 2025 maturity</i>
<b>2026</b>	250	-	56	<b>306</b>	2.71%	<i>Primarily consists of \$230 million of 2.0% convertible senior notes due Oct. 2026</i>
<b>2027</b>	509	409	43	<b>961</b>	6.00%	<i>Primarily consists of agency loans</i>
<b>2028</b>	334	200	30	<b>564</b>	5.79%	<i>Primarily consists of agency loans</i>
<b>Thereafter</b>	857	374	42	<b>1,273</b>	5.03%	<i>Primarily consists of agency loans</i>

Ongoing growth in Adjusted EBITDA is resulting in significant leverage ratio improvement



# Long-Term Organic Growth Opportunity



**BROOKDALE**  
— SENIOR LIVING —

# Key Drivers of Long-Term Organic Growth



Limited New Supply

Rapidly Growing Demographic Demand

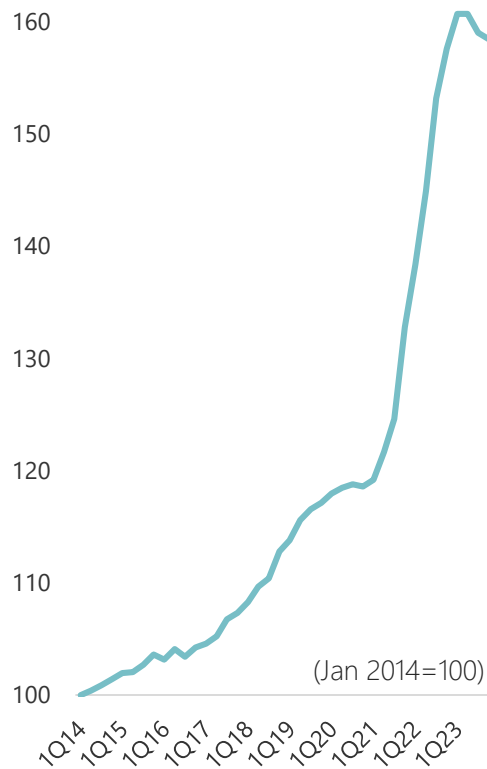
Brookdale's Unique Differentiators

# Macroeconomic factors have influenced pace of industry development ...

- Higher cost materials
- Labor market challenges
- Elevated interest rates
- Tighter credit conditions

Expensive materials, labor and interest rates have resulted in skyrocketing cost to build

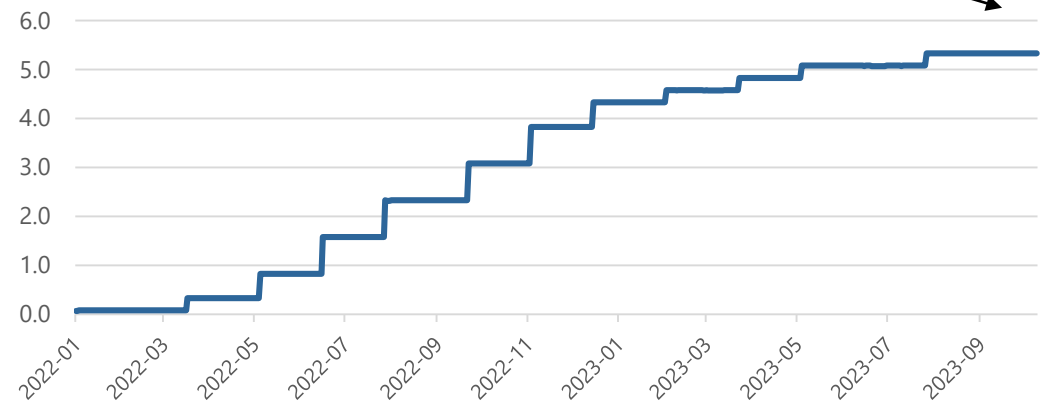
U.S. Construction Cost<sup>(1)</sup>



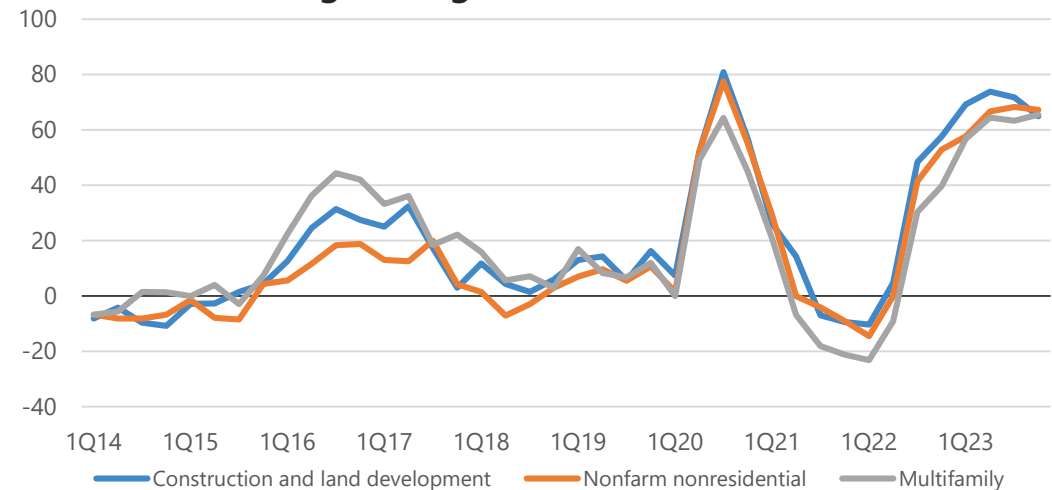
**342k** new laborers needed in 2024 on top of normal hiring to meet construction industry demand<sup>(2)</sup>

**1 in 4** construction workers older than 55; retirements will drive further need<sup>(2)</sup>

Fed funds rate is now in a range of 5.25% to 5.5%, a 22-year high<sup>(3)</sup>



Share of Senior Loan Officers Reporting Tightening Credit Conditions<sup>(4)</sup>

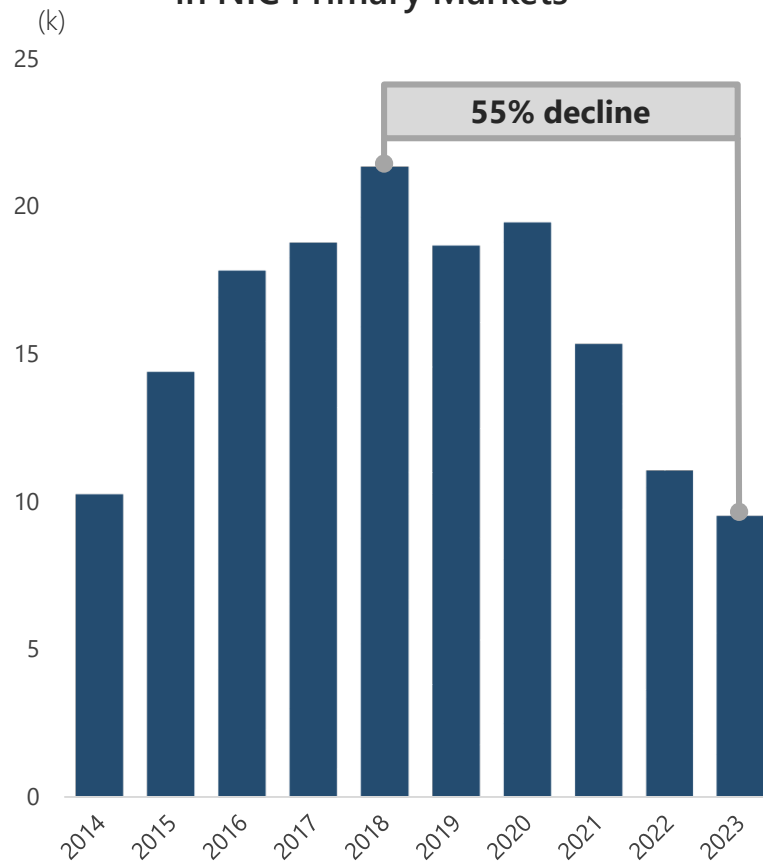


... which has led to limited near-term development pipelines

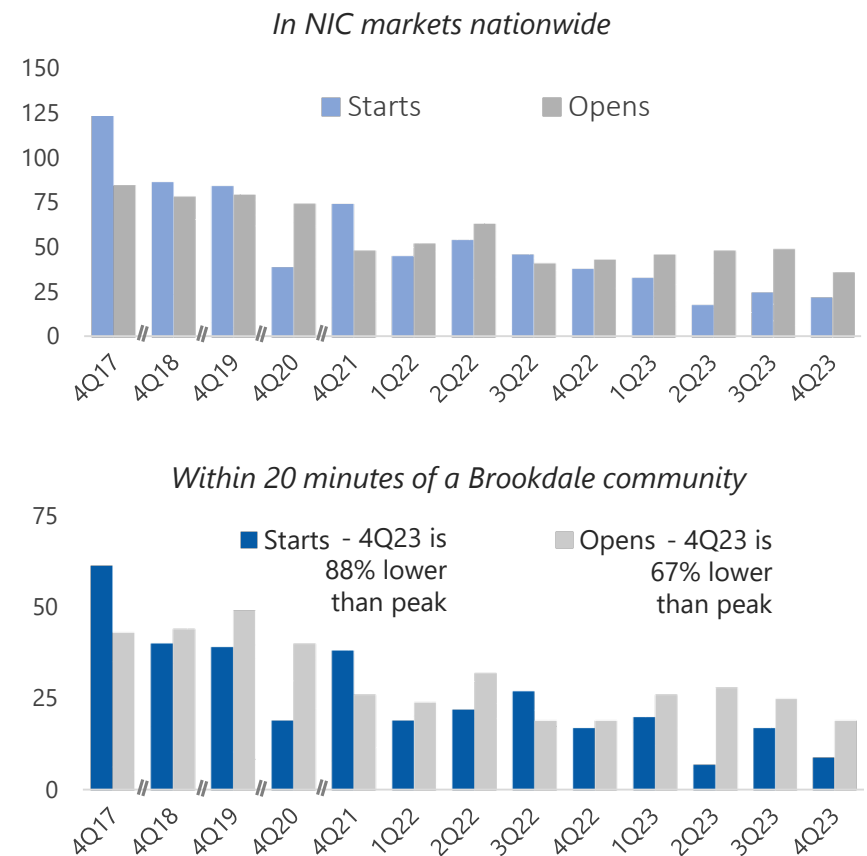
**Inventory growth drops to lowest in a decade<sup>(1)</sup>**

**Lower starts and opens enable faster occupancy gains for existing communities**

**Inventory Growth in NIC Primary Markets<sup>(1)</sup>**



**New Starts and Opens<sup>(2)</sup>**



# Age-driven demand for senior living is growing ...



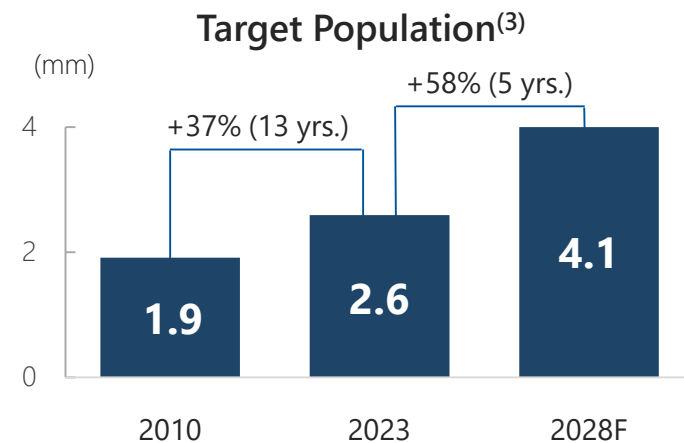
## Demographic Trends

**~1 million** new seniors enter target market age cohort every year through 2036<sup>(1)</sup>

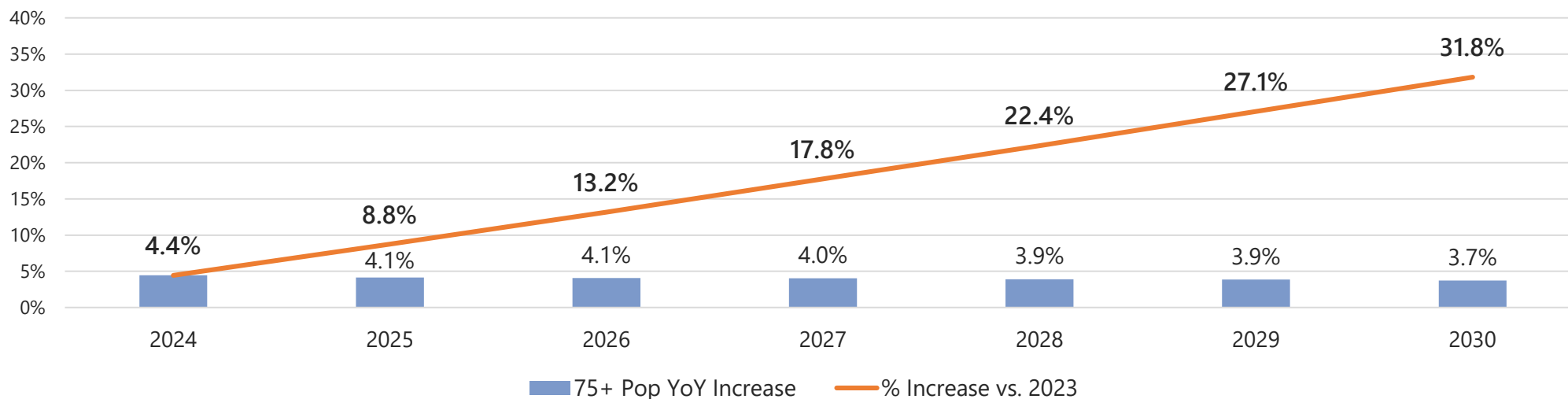
**30%** of Brookdale move-ins are under age 80

**19%** of Brookdale residents are Baby Boomers

**11%** of target population living in senior housing<sup>(2)</sup> – room for growth



### Age 75+ Demographic Growth Rates<sup>(1)</sup>



# ... and difficulties experienced by seniors are on the rise

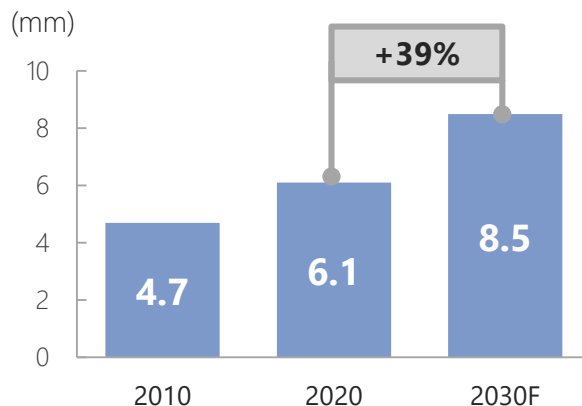
## Higher Acuity



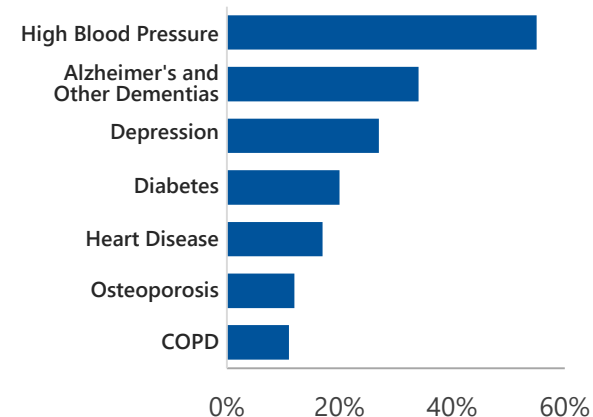
**70%** of adults age 65+ develop severe need of long-term services and support<sup>(1)</sup>

**66%** of long-term care residents are diagnosed with at least two chronic conditions<sup>(2)</sup>

Higher Acuity Needs:  
Alzheimer's in the US<sup>(3)</sup>



Higher Acuity Needs:  
Chronic conditions in residential care<sup>(2)</sup>



## Fewer Caregivers



**80%** of long-term care at home is provided by unpaid caregivers<sup>(4)</sup>

**25%** drop in ratio of unpaid caregivers to seniors now to 2030<sup>(6)</sup>

**1 in 5** older adults don't have someone they can depend on in time of need<sup>(5)</sup>

**By 2027**, adults age 64+ will exceed number of children<sup>(7)</sup>

## Ongoing Social Isolation Risk



**3 in 5** people rated either 'lonely' or 'severely lonely' in a survey of Medicare Advantage members<sup>(5)</sup>

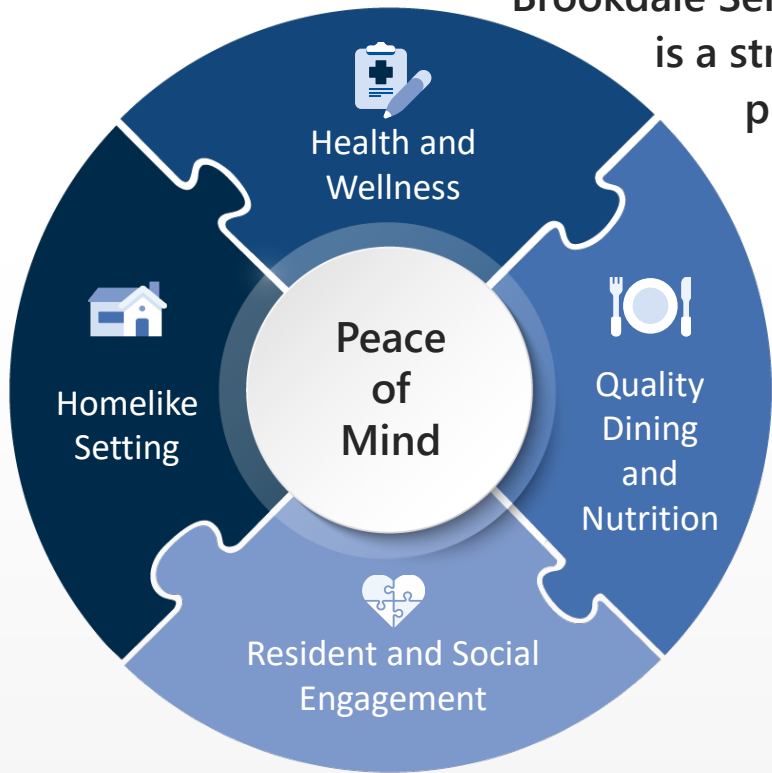
**10%** decline in frailty level following move to senior housing<sup>(8)</sup>



With our strong clinical expertise and resident engagement programs, Brookdale is well-positioned to serve the diverse needs of seniors in their Brookdale homes

# Senior living improves affordability of support for an aging population

Brookdale Senior Living is a strong value proposition



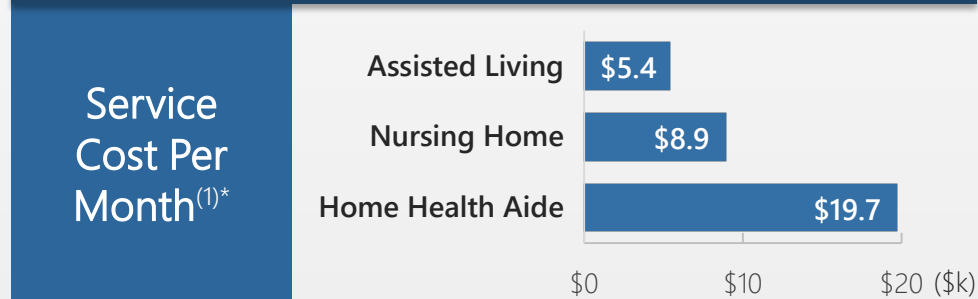
**66%** of total net wealth in U.S. is held by Baby Boomer and Silent Generation<sup>(2)</sup>

**93%** increased median income for households headed by person aged 65+ from 1982 to 2021<sup>(3)</sup>

**79%** of seniors age 75+ are homeowners<sup>(4)</sup>

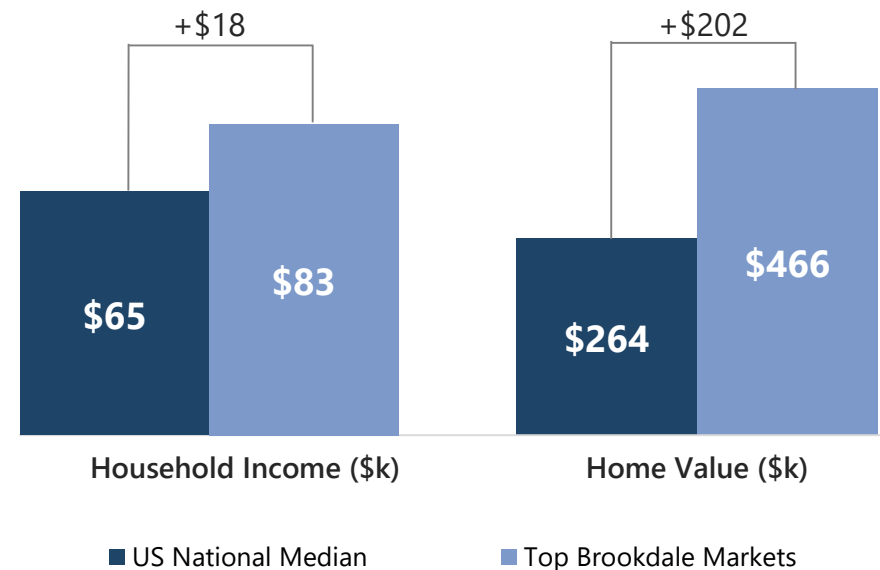
**~3x** home price appreciation in the U.S. since 2000<sup>(5)</sup>

## Assisted Living is a cost-effective option



\*Average cost of 24/7 care; home health does not include room & board

## Brookdale Communities are Well Positioned for Affordability<sup>(6)</sup>

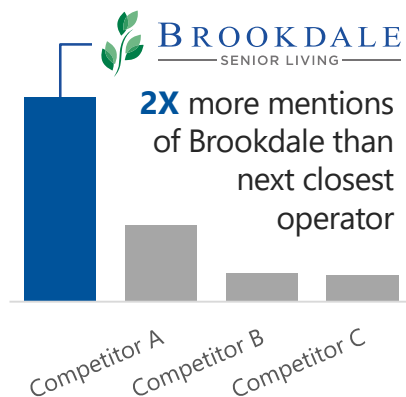


# Brookdale is differentiated within a highly fragmented industry

## Well Recognized Leadership Position

Highly fragmented competitive landscape with ~2,500 operators, ~90% of which operate five or fewer communities<sup>(3)</sup>

### Unaided Brand Awareness<sup>(1)</sup>



Earned most senior living community recognitions in 2022 and 2021

### J.D. POWER

Ranked #1 in Customer Satisfaction in 2022 and 2020 among Assisted Living/Memory Care<sup>(2)</sup>



Strong Clinical Expertise	Quality Care	Industry-Leading Scale
<ul style="list-style-type: none"> <li>More than 9% of workforce are nurses</li> <li>Senior living leader in value-based care</li> <li>Brookdale HealthPlus® provides an innovative care delivery model with care coordination</li> <li>Employs evidence based clinical practices</li> </ul>	<ul style="list-style-type: none"> <li>Highly-individualized care and personal service</li> <li>Nationally ranked training and development programs</li> <li>Consistent and ongoing measurement of resident satisfaction</li> <li>Holistic approach to health and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Unmatched reach to the senior population</li> <li>Executive Leadership Team averages 23 years of senior living experience</li> <li>Comprehensive insights into target demographic</li> <li>Broad product offerings</li> </ul>

BROOKDALE

## Health+Plus®

### Community-Based, Proactive Care Coordination – That's Brookdale HealthPlus®

Works to help improve residents' quality of life and help prevent avoidable emergency room visits or hospitalizations; in partnership with residents' family and healthcare providers.

Each Brookdale HealthPlus® community has a dedicated RN Care Manager who proactively helps residents manage their health every day. Care Managers serve as a partner for other healthcare professionals and are an advocate for residents to help manage care transitions, including coordinating communication between providers, reconciling medications and scheduling follow-up visits with physicians.

## Benefits



### Care Coordination

Proactive assistance with and management of preventive healthcare services, like annual wellness visits, immunizations and health screenings



### Chronic Conditions Management

Evidence-based protocols are used to manage chronic conditions and monitor a change in condition to help avoid emergency room visits and hospitalizations



### Increased Resident Satisfaction

We help coordinate care with providers, manage health daily and provide oversight of urgent care needs, which supports increased resident satisfaction

## Helping to Improve Our Residents' Health: Brookdale HealthPlus® Outcomes

For Brookdale HealthPlus residents compared to similar individuals living in private homes



**78%**

fewer urgent care visits



**36%**

fewer hospitalizations



**63%**

higher annual wellness visit completion rate

Brookdale HealthPlus is not currently available in all Brookdale communities.

Sustainable  
Organic Growth  
Potential for  
Years to Come

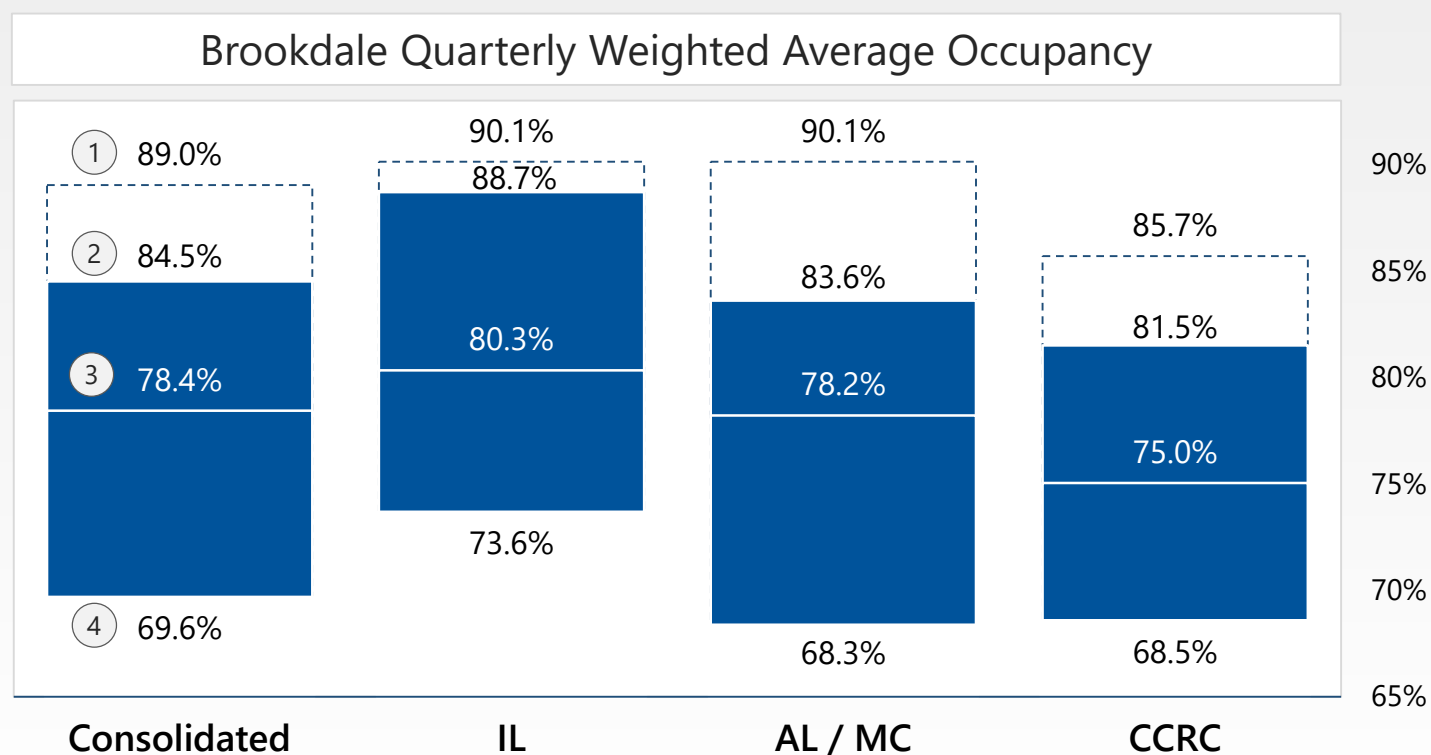


# Robust revenue opportunity from continued occupancy recovery

Returning to pre-pandemic occupancy of 84.5% would drive at least \$220M of incremental revenue<sup>(1)</sup>

Achieving our historic occupancy high of 89.0% would drive at least \$385M of incremental revenue<sup>(1)</sup>

- ① Historical high (4Q 2013)
- ② Pre-pandemic (4Q 2019)
- ③ Current (4Q 2023)
- ④ Pandemic low (1Q 2021)



Range of pre-pandemic segment operating margin<sup>(2)</sup>

37.4% - 43.4%

28.6% - 36.2%

17.9% - 24.9%

# Excellent operating income potential in the coming years

Returning to pre-pandemic occupancy and operating margin would deliver significant Operating Income Growth

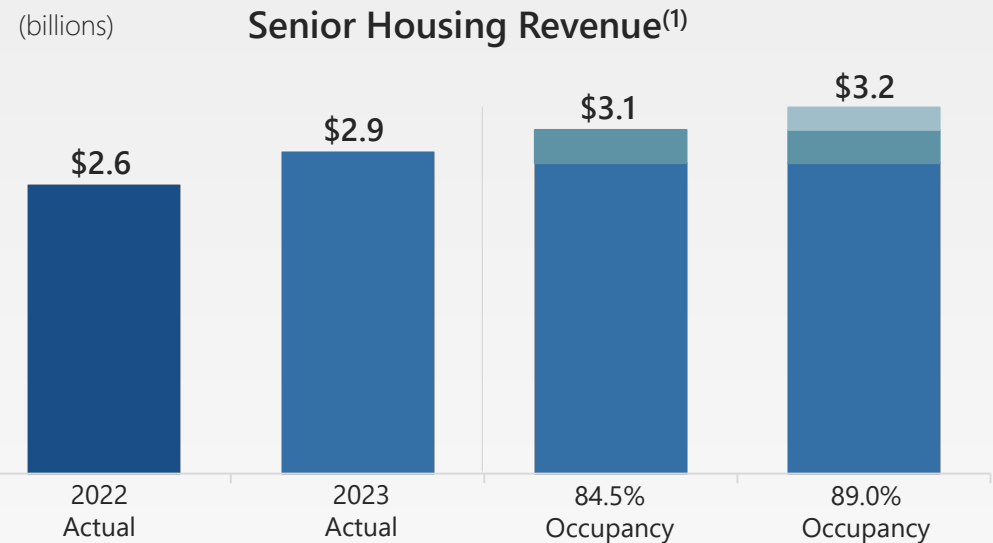
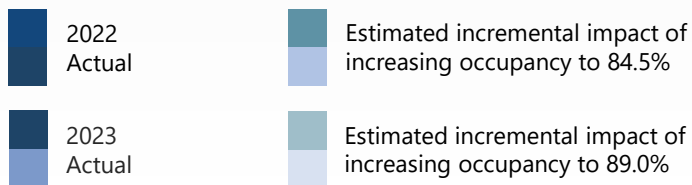
## Key Considerations

Represents annualized revenue impact of returning to pre-pandemic (84.5%) or historical high (89.0%) occupancy compared to 4Q 2023 occupancy based on 4Q 2023 RevPOR

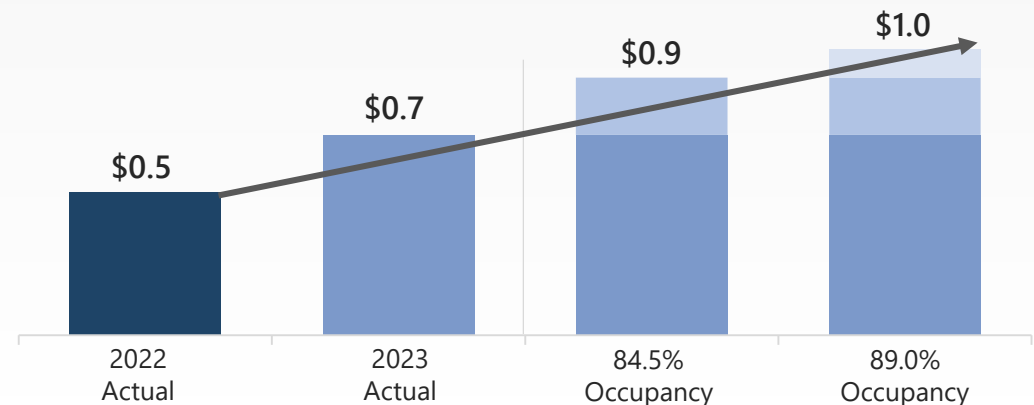
Represents a return to midpoint of each segment's range of pre-pandemic operating margin at current segment mix

Operating margin expansion expected primarily through:

- 1) Continued workforce stabilization, including lower turnover, reduced onboarding expenses and improved productivity
- 2) Leverage of fixed costs through occupancy growth



### Senior Housing Segment Operating Income<sup>(1)</sup>



Additional opportunity for growth as RevPOR potential surpasses inflation in future years

# Brookdale is a solid long-term investment option

## Strong Brand and Leadership

Nation's premier operator of senior living communities known for providing exceptional care and services to seniors and their families

## Accelerating Demographic Growth

Brookdale's innovative initiatives combined with unprecedented growth expected in the senior population in the coming years contribute to our confidence in a strong future

## Positive Shift in Supply Trend

Senior living inventory growth has significantly declined in recent years and new construction is expected to remain constrained, resulting in faster occupancy gains within existing communities

## Increasingly a Needs-Based Business

With a more robust mix of assisted living and memory care offerings, and given the rising prevalence of seniors with chronic medical conditions, Brookdale is exceptionally well-positioned to meet the expanding needs of the senior population

## Leading Senior Living Clinical Expertise

Brookdale's clinical excellence is evident through nationally recognized care models, supported by high-quality health and wellness platforms, and demonstrated by evidence-backed value-based care programs like Brookdale HealthPlus®

## Significant Real Estate Value

Brookdale's real estate assets, which include ownership of more than half of the communities within the portfolio, play a substantial role in underpinning the company's value

Brookdale has significant growth potential from continued pandemic recovery and improved fixed-cost leverage, including productivity improvements



# Appendix & Endnotes



**BROOKDALE**  
— SENIOR LIVING —

# Appendix: Definitions and Non-GAAP Financial Measures

## Definitions

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

**Adjusted Senior Housing Operating Margin** is defined by the Company as Adjusted Senior Housing Operating Income divided by segment revenue.

**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 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.

**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 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.

## Non-GAAP Financial Measures

This Investor Presentation contains the financial measures Adjusted EBITDA and Adjusted Free Cash Flow, 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, or net cash provided by (used in) operating activities. The Company cautions investors 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. The Company urges investors 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 "Non-GAAP Financial Measures" in the Company's earnings release dated February 20, 2024 for additional information regarding the Company's use and the limitations of such non-GAAP financial measures.

# Appendix: Non-GAAP Financial Measures

## Adjusted EBITDA — Definition and Reconciliation

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, operating lease expense adjustment, non-cash stock-based compensation expense, gain/loss on sale of communities, and transaction and organizational restructuring costs. 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.

The table below reconciles quarterly Adjusted EBITDA from net income (loss).

(in millions)	2022				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net income (loss)</b>	\$ (100.0)	\$ (84.3)	\$ (28.4)	\$ (25.7)	\$ (44.6)	\$ (4.5)	\$ (48.8)	\$ (91.2)
Provision (benefit) for income taxes	(2.0)	1.2	(0.3)	(0.5)	0.6	0.3	(1.9)	9.8
Equity in (earnings) loss of unconsolidated ventures	4.9	2.4	2.0	1.4	0.6	1.2	1.4	0.8
Loss (gain) on debt modification and extinguishment, net	-	-	-	1.4	-	-	-	2.7
Non-operating loss (gain) on sale of assets, net	0.3	(1.0)	0.1	-	-	(0.9)	-	(0.6)
Other non-operating (income) loss	-	0.3	(1.9)	(10.3)	(3.2)	(3.2)	(10.1)	(5.0)
Interest expense	43.4	48.2	49.9	63.3	59.7	54.4	59.4	64.7
Interest income	(0.1)	(0.8)	(2.2)	(3.9)	(5.3)	(6.1)	(6.3)	(5.4)
Income (loss) from operations	(53.5)	(34.0)	19.2	25.7	7.8	41.2	(6.3)	(24.2)
Depreciation and amortization	85.7	86.6	86.9	88.2	84.9	84.4	85.9	87.4
Asset impairment	9.1	2.6	5.7	12.3	-	0.5	9.1	31.0
Loss (gain) on sale of communities, net	-	-	-	(73.9)	-	(36.3)	-	-
Operating lease expense adjustment	(8.3)	(8.3)	(8.7)	(9.6)	(10.8)	(11.6)	(11.5)	(11.9)
Non-cash stock-based compensation expense	3.9	3.6	3.4	3.6	3.1	3.0	2.9	3.0
Transaction and organizational restructuring costs	0.3	0.2	0.4	0.3	3.6	0.2	0.1	-
<b>Adjusted EBITDA</b>	<b>\$ 37.2</b>	<b>\$ 50.7</b>	<b>\$ 106.9</b>	<b>\$ 46.6</b>	<b>\$ 88.6</b>	<b>\$ 81.4</b>	<b>\$ 80.2</b>	<b>\$ 85.3</b>
Government grants and credits	\$ (0.4)	\$ (8.4)	\$ (66.8)	\$ (4.9)	\$ (2.3)	\$ (4.1)	\$ (2.6)	\$ -

# Appendix: Non-GAAP Financial Measures

## Adjusted Free Cash Flow — Definition and Reconciliation

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 and casualty insurance proceeds and proceeds from refundable entrance fees, net of refunds; less: non-development capital expenditures and payment of financing lease obligations.

The table below reconciles quarterly Adjusted Free Cash Flow from net cash provided by (used in) operating activities.

(in millions)	2022				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (23.3)</b>	<b>\$ 11.6</b>	<b>\$ 63.5</b>	<b>\$ (48.6)</b>	<b>\$ 24.0</b>	<b>\$ 63.8</b>	<b>\$ 45.8</b>	<b>\$ 29.3</b>
Net cash provided by (used in) investing activities	(36.1)	(43.9)	22.6	(9.9)	(62.0)	(41.9)	(31.9)	22.4
Net cash provided by (used in) financing activities	(0.4)	(17.7)	(19.8)	138.2	0.2	(50.1)	(19.2)	(105.3)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ (59.8)</u>	<u>\$ (50.0)</u>	<u>\$ 66.3</u>	<u>\$ 79.7</u>	<u>\$ (37.8)</u>	<u>\$ (28.2)</u>	<u>\$ (5.3)</u>	<u>\$ (53.6)</u>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (23.3)</b>	<b>\$ 11.6</b>	<b>\$ 63.5</b>	<b>\$ (48.6)</b>	<b>\$ 24.0</b>	<b>\$ 63.8</b>	<b>\$ 45.8</b>	<b>\$ 29.3</b>
Distributions from unconsolidated ventures from cumulative share of net earnings	(0.6)	-	-	-	-	(0.4)	-	-
Changes in prepaid insurance premiums financed with notes payable	16.6	(5.4)	(5.7)	(5.6)	19.3	(6.3)	(6.5)	(6.5)
Changes in operating lease assets and liabilities for lessor capital expenditure reimbursements	(1.5)	(3.4)	(4.4)	(4.5)	(2.2)	-	-	(7.6)
Non-development capital expenditures, net	(39.3)	(45.7)	(43.8)	(39.3)	(62.9)	(64.8)	(47.2)	(41.5)
Property and casualty insurance proceeds	-	-	-	-	6.4	2.4	10.7	5.2
Payment of financing lease obligations	(5.4)	(5.6)	(5.5)	(5.6)	(5.8)	(2.2)	(0.3)	(0.4)
<b>Adjusted Free Cash Flow</b>	<b><u>\$ (53.5)</u></b>	<b><u>\$ (48.5)</u></b>	<b><u>\$ 4.1</u></b>	<b><u>\$ (103.6)</u></b>	<b><u>\$ (21.2)</u></b>	<b><u>\$ (7.5)</u></b>	<b><u>\$ 2.5</u></b>	<b><u>\$ (21.5)</u></b>

# Endnotes

Slide	Reference
4	<ol style="list-style-type: none"> <li>1. National Investment Center for Seniors Housing &amp; Care (NIC) IL, AL, and MC units, NIC Supply Set 4Q 2023</li> <li>2. Brookdale's Senior Housing segments' resident fees for the trailing 12 months ending December 31, 2023</li> <li>3. "2023 ASHA 50 Operators" American Seniors Housing Association, June 2023, ASHA 50 rankings do not include properties where more than 30% of the units are licensed for skilled nursing</li> </ol>
6	<ol style="list-style-type: none"> <li>1. Based on consolidated portfolio; Brookdale units reported in NIC reported markets only: AL: 53%, MC: 17%, IL: 27%, SNF: 3%</li> <li>2. National Investment Center for Seniors Housing &amp; Care (NIC) IL, AL, and MC units in NIC reported markets, NIC Supply Set 4Q 2023</li> </ol>
10	<ol style="list-style-type: none"> <li>1. Weighted average shown is based on units occupied</li> <li>2. Based on same community portfolio; metric is stated for the quarter of the year shown compared to the same quarter in the prior year</li> <li>3. Based on same community portfolio; metric is stated as a percentage of resident count for the respective quarter shown compared to the same calculation for the prior year quarter</li> </ol>
16	<ol style="list-style-type: none"> <li>1. Producer Price Index by Commodity: Final Demand: Final Demand Construction (PPIFDC), U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis; January 2024</li> <li>2. "Construction Workforce Shortage Tops Half a Million in 2023, Says ABC" Construction Economics, Employment, News Release 2023, Workforce and Safety, February 2023</li> <li>3. Federal Funds Effective Rate, Board of Governors of the Federal Reserve System (US), retrieved from FRED, Federal Reserve Bank of St. Louis; January 2024</li> <li>4. Net Percentage of Domestic Respondents Tightening Standards for Commercial Real Estate Loans, Board of Governors of the Federal Reserve System (US), retrieved from FRED, Federal Reserve Bank of St. Louis; January 2024</li> </ol>
17	<ol style="list-style-type: none"> <li>1. NICMAP Trends 4Q 2023</li> <li>2. NIC Supply Set 4Q 2023; NIC data subject to future revision; industry data does not include Brookdale</li> </ol>
18	<ol style="list-style-type: none"> <li>1. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2022 to 2100" US Census Bureau, Population Division, November 2023; target market age cohort defined as 75+</li> <li>2. NICMAP Data Service; individuals age 75+ in seniors housing in all markets, all regions; 4Q 2023</li> <li>3. ESRI, Brookdale proprietary analysis; target population defined as age 75+ with \$75,000+ income and living within 20 minutes of a Brookdale community</li> </ol>
19	<ol style="list-style-type: none"> <li>1. "What is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" Office of Disability, Aging and Long-Term Care Policy, HHS, April 2019</li> <li>2. "Residential Care Community Resident Characteristics: United States, 2018" National Center for Health Statistics, CDC, September 2021</li> <li>3. "2021 Alzheimer's Disease Facts and Figures" Alzheimer's Association, 2021; in publication seniors are defined as age 65 and older</li> <li>4. "Who Will Provide Your Care?" U.S. Department of Health and Human Services, Administration for Community Living, February 2020</li> <li>5. "A Look at Loneliness in America's Older Adults and People with Disabilities" State of Social Health Report, Papa, 2023</li> <li>6. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2022 to 2100" US Census Bureau, Population Division, November 2023; caregiver ratio defined as proportion of adults age 80+ compared to those age 45-64</li> <li>7. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2022 to 2100" US Census Bureau, Population Division, November 2023</li> <li>8. "Older Adults Are Demonstrably Less Vulnerable Soon After Moving into Senior Housing" National Investment Center (NIC), September 2023</li> </ol>
20	<ol style="list-style-type: none"> <li>1. For Assisted Living, Brookdale average monthly RevPOR for AL and MC units in 2021; for Nursing Home and Home Health Aide, 2021 median national costs for nursing home private room and home health aide calculated per month and rounded to nearest hundred, from "Cost of Care Trends &amp; Insights" Genworth Cost of Care Survey 2004-2021, February 2022</li> <li>2. "Visualizing \$156 Trillion in U.S. Assets, by Generation" Visual Capitalist, Marcus Lu, August 2023</li> <li>3. "Four Decades of Senior Income Growth: A 2023 Update" Hoover Institution Economics Working Papers, John F Cogan and Daniel Heil, November 2023</li> <li>4. "Homeownership Rates for the United States, by Age of Householder and by Family Status: 1982 to 2021" US Census Bureau, Current Population Survey/Housing Vacancy Survey, March 2022</li> <li>5. S&amp;P Dow Jones Indices LLC, S&amp;P/Case-Shiller U.S. National Home Price Index (CSUSHPINSA); retrieved from FRED; Federal Reserve Bank of St. Louis; January 2023</li> <li>6. ESRI, Brookdale proprietary analysis; Brookdale Weighted Averages include median household income and median home value based on households within 20-minute drive time of Consolidated Brookdale communities in the top 25 Brookdale markets (CBSA) by NOI, weighted by annualized NOI per CBSA</li> </ol>
21	<ol style="list-style-type: none"> <li>1. Online surveys sent to national survey panel participants in top 10 markets, including senior living prospects and their influencers from November 9 to December 5, 2022</li> <li>2. J.D. Power U.S. Senior Living Satisfaction Study; tied in 2022 and 2020; for J.D. Power award information visit <a href="https://www.jdpower.com/awards">jdpower.com/awards</a></li> <li>3. NIC Supply Set 3Q 2023; NIC data subject to future revision; industry data does not include Brookdale</li> </ol>
24	<ol style="list-style-type: none"> <li>1. Incremental revenue estimates represent annualized revenue impact of returning to pre-pandemic or historical high occupancy (compared to 4Q 2023 occupancy) based on 4Q 2023 RevPOR and total average units</li> <li>2. Represents the low to high range of pre-pandemic full-year operating margin for Brookdale consolidated communities during years 2014-2019</li> </ol>
25	<ol style="list-style-type: none"> <li>1. Excludes other operating income</li> </ol>

# Endnotes

Normal Seasonality Sequential View				
	1Q	2Q	3Q	4Q
<b>Occupancy Sequential Change</b>	Lower due to increased incidence and severity of flu	Begins to turn positive toward end of quarter	Historically highest sequential growth period of the year	Remains flat to slightly positive to third quarter
<b>Labor (Annual Merit Increase)</b>	Full-quarter impact of community associates merit increase			
<b>Utilities</b>	Seasonally high		Seasonally high	
<b>2024 Number of work days / holidays<sup>(1)</sup></b>	91 / 1	91 / 1	92 / 2	92 / 2
<b>Working Capital</b>	Majority of incentive compensation payments			Majority of real estate tax payments

(1) Facility operating expenses, such as labor, food and supplies trend higher due to increased number of working days; labor cost trends higher with number of holidays